Daily Report

Latin America

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FBIS-LAT-91-065 *4 April 1991*

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Barbadian Assumes OAS Permanent Council Chair

FT4104134191 Bonaire Trans World Radio in English 1130 GMT 3 Apr 91

[Text] Sir William Douglas has assumed the chairmanship of the Permanent Council of the Organization of American States. He is from Barbados and replaces Margaret McDonald of the Bahamas. The chairmanship rotates among member states in alphabetical order. Mr. Douglas will retain the position until 30 June and will chair the 21st regular session of the general assembly of the OAS, set for Santiago, Chile, on 3 June.

Group of 3 Reaches Agreement on Free Trade Zone

PA0304035491 Mexico City NOTIMEX in Spanish 2351 GMT 2 Apr 91

[Text] Bogota, 2 Apr (NOTIMEX)—The foreign ministers of the Group of Three, made up of Mexico, Colombia, and Venezuela, today agreed to sign a protocol of intention to establish a free trade zone during July 1994.

Mexican Foreign Secretary Fernando Solana, Colombian Foreign Minister Luis Fernando Jaramillo, and Venezuelan Foreign Minister Reynaldo Figueredo announced that their commissions will begin studies on the products to be included in the list of tariff exceptions to create a commercial free zone.

During today's meeting, the foreign ministers agreed to grant their respective shipping companies free access to their ports and territorial waters. In addition, they invited the private sector of each of the Group of Three countries to attend the upcoming meetings of this organization so that businessmen can cooperate with the trade agreement.

The foreign ministers announced that in their next meeting, to be held in May, an agreement will be signed to eliminate restrictions on maritime bulk freight transportation. They noted that in order to achieve that goal procedures will be defined so that legislation on mercantile transportation will be made to fall in line with the relaxation process undertaken by their respective countries.

In a communique issued at the conclusion of the meeting, the Group of Three foreign ministers agreed to promote the development of joint tourism projects, as was proposed by the top level group that met in Cartagena in February. On the matter of communications, the Group of Three ministers, as mentioned before, seek to start studying the elimination of obstacles to air commerce.

The foreign ministers advised their commerce and finance groups to carry out a project to eliminate obstacles hindering the free circulation of cultural goods and services. The purpose of this plan is to consolidate a common cultural market among the three countries. In this respect, the possibility of establishing a fund to coproduce films and promote the film industry was discussed.

Cuba

Roa Kouri: U.S. Behavior in Geneva 'Blackmail'

FL0404042591 Havana Radio Rebelde Network in Spanish 0000 GMT 4 Apr 91

[From the "Exclusivo" program]

[Text] Today Raul Roa Kouri described the behavior of the United States at the last meeting of the UN Human Rights Commission in Geneva as a process of pressures and blackmail. Details of the news conference held by the Cuban vice foreign minister have been offered to us by our colleague Marlen Estrella. Let us listen to Raul Roa Kouri.

[Begin Roa recording] Cuba does not allow, nor has it allowed, nor can it allow any continuation of the procedure after the 1989 report and its debate, and the resolution that was adopted as a result of that debate, simply because the report did not reveal that there were massive or flagrant human rights violations in Cuba. It alone that there was a deliberate policy to violate human rights in Cuba.

I must say that any countries where these violations exist and are massive and flagrant or are the result of a deliberate policy of human rights violations—as in the cases of South Africa, the Arab territories occupied by Israel since 1967, including Jerusalem, and Chile under Pinochet—only in these cases are these violations analyzed and examined by the Human Rights Commission.

It must be said, however, that human rights violations perpetrated in many Western countries are systematically ignored by that commission, as in the case of the violations that occur against the rights of the ethnic minorities in the United States. For example, there are those of the North American Indians, who have been systematically stripped of their lands, and who in addition suffer today from the worst living standards in that country, not to mention, of course, the situation of the black and Latin American—fundamentally Puerto Rican—minorities.

There are also the U.S. political prisoners whose existence is denied, simply ignored, by the U.S. Government, but nevertheless has been denounced by various nongovernmental human rights organizations in that country. None of these things have ever been examined by the Human Rights Commission, but they are trying to maintain under examination a case that does not exist, which is the case of Cuba. This is why we cannot in any way allow a continuation of the procedure to examine the alleged human rights violations in our country. [end recording]

Alarcon Criticizes U.S. Draft Resolution on Iraq

FL0304163691 Havana Tele Rebelde Network in Spanish 1200 GMT 3 Apr 91

[Text] Ricardo Alarcon, Cuban ambassador to the United Nations, has stated that the U.S. draft resolution on Iraq is not a way to restore peace in the Persian Gulf. In comments to the press, Alarcon pointed out that the draft resolution, which is also sponsored by the UK and the USSR, does not address the end of hostilities nor does it clearly define when U.S. troops will be withdrawn. He added that the draft resolution also does not establish a legitimate foundation for a lasting peace in the region.

In a similar action yesterday, the UN Security Council group of seven nonaligned countries reached a common position on the U.S. draft resolution, to the dismay of the United States. The seven nations jointly submitted 17 amendments to the draft resolution.

Soviets Cooperate in Extending Electricity Service

FL0304211591 Havana Radio Reloj Network in Spanish 2034 GMT 3 Apr 91

[Text] Francisco Garcia Ferrer, first party secretary in Holguin Province, has talked with (Georgiy Diktinov), director of the organization for putting an electric line in rural areas in the USSR, about the work on electric lines in the eastern region of Cuba. Garcia Ferrer also participated in an exhibition of the cooperation, which includes a photo display, video, and two posters. Lidia Gomez, vice director general of the National Electrical Union.

The Soviet engineers produce something that benefits the nation's economy, they are workers directly linked to production, and their contribution is a result of special cooperation between the state organizations of the two countries. This kind of cooperation began in 1988 in the eastern provinces, and since that date the three Soviet brigades have put up 300 km of lines.

Commentary: Agreement 'Foreseeable' in El Salvador

PA0304143191 Havana International Service in Spanish 0127 GMT 3 Apr 91

["Our America" commentary read by Manolo Ortega]

[Text] After almost 11 years of civil war in El Salvador, the country is politically and economically exhausted, making foreseeable an agreement between the belligerent parties involved in reaching a definitive cease-fire and an adjustment of the criteria concerning the future.

The time seems to be right, and this month representatives from the government and the Farabundo Marti National Liberation Front [FMLN] will continue their meetings in Mexico in an attempt to attain peace in El Salvador in 1991. The dialogue will be based on the most recent proposal made by the guerrillas, who suggested a discussion of the negotiations promoted by the United Nations, which include a new element in dealing with the conflict: acceptance that the war has reached a deadlock and that there are other alternatives of reconciling the interests of both sides.

An eventual agreement concerning this topic will necessarily involve a change in the political stance maintained by the government. This would emphasize the requirements of the FMLN with regard to the democratization

of society, the purging of the Army, and the implementation of economic-social projects designed to favor the large worker and peasant populations in that small Central American country.

Voices have been heard in government circles asking for an end to the militarization of society to establish a state of equilibrium for the purpose of renewing the bogged down mechanisms of growth and development. In this regard, top officials from the Alfredo Cristiani government are calling for positions of consensus and they want to promote realistic policies to deal with the problems of society in an integral manner.

In addition, the FMLN General Command admits that now, as never before, the possibilities for peace are closer than ever. The political opposition and the influential Catholic Church agree that the flexibility shown by the rebels is opening heavy doors toward reaching a cease-fire following a war that has cost more than 80,000 lives and chaos within the country's economic mechanisms. Hence, the importance of the meetings that will be held in Mexico over the next few days by government and rebel delegates, who should make an announcement on the guerrilla proposal to suspend military activities on 30 May following a delimitation of the territories under the control of each side.

Despite the progress made by each side, the dialogue must overcome the ploys of the most recalcitrant sectors of the Army to control territory under recognized rebel control.

The military leadership has currently ordered an offensive in areas close to Guazapa Hill and important locations in Morazan, Chalatenango, and Usulutan Departments, all under proved guerrilla control. Other areas of the country are also the object of permanent military attack for the evident purpose of reducing to a minimum the territories claimed by the FMLN in case the government finally agrees to sign a cease-fire.

Gen. Rosales Greets Soldiers Returning From Congo

FL0304163591 Havana Tele Rebelde Network in Spanish 1200 GMT 3 Apr 91

[Text] The first group of Cuban internationalists who fulfilled their mission in the People's Republic of the Congo returned to Cuba in the early hours of the morning. They are coming home as part of the agreement between Cuba and that African republic to put an end to the support given over the last 14 years.

Division General Ulises Rosales del Toro, first vice minister of the FAR [Revolutionary Armed Forces], greeted the returning soldiers. Marta Cabrisas, member of the Cuban Workers Federation National Secretariat, welcomed the soldiers and noted their outstanding example of internationalist solidarity. To illustrate this, she mentioned the school for Congolese children built in Pointe-Noire by the internationalists.

Pineiro Attends Puerto Rican Independence Event

FL0304214591 Havana Tele Rebelde Network in Spanish 1800 GMT 3 Apr 91

[Text] The 25th anniversary of the establishment of the Puerto Rican Socialist Party [PSP] permanent mission in Cuba was celebrated last night in Havana. PSP Secretary General Carlos Gallisa gave Havana historian Eusebio Leal a replica of the banner used by Puerto Rican patriots during the historic "Cry of Lares" and a box with soil from that region, a symbol of the Puerto Rican people's yearning for independence.

Manuel Pineiro and Rodrigo Alvarez Cambras, members of the Central Committee of the Communist Party of Cuba, were also present at the event. Carlos Gallisa stressed the important role played by the PSP mission in our country.

[Begin Gallisa recording] We think that this mission, besides belonging to the PSP, is a mission that belongs to all those who are fighting for Puerto Rican independence. This house of Puerto Rican independence supporters is here to work, give solidarity, and receive solidarity. [end recording]

The party leader also mentioned the next steps the PSP will take in its struggle for Puerto Rican independence.

[Begin Gallisa recording] Well, I think that after the standstill that has occurred in the U.S. Congress about approving legislation that would allow the Puerto Rican people to exercise their right to self-determination and independence, we are proposing within Puerto Rico that all the political forces work together so that the Puerto Rican people can—without anyone's permission—call a constituent assembly, with delegates elected by the people with a mandate from the Puerto Rican people, to discuss, negotatiate, and demand from the U.S. Government a solution to the [words indistinct] Puerto Rico. [end recording]

Fines, Prison Terms Given for Economic Crimes

FL0304164491 Havana Radio Rebelde Network in Spanish 1255 GMT 3 Apr 91

[Text] The Havana City Provincial Tribunal gave sentences of three years in prison to Jose Julian Guerra, former manager of the sales department of the Miguel A. Oramas Beer Factory, formerly the Polar Beer Factory, for the crime of embezzling 3,139.20 pesos in cash, in addition to ordering the seizure of goods improperly acquired and a fine of 10,000 pesos. The accused, Jose Julian Guerra, taking advantage of the opportunities provided by his position until the time of his arrest, effected illicit sales of cases of Pirey Beer, receiving the payments in cash and not in checks as was required. These sales were supposedly delivered to the food unit of the Polar Gardens. In the fiscal audit that was carried out in the Polar Beer Factory [as heard], the specialists found nine copies of numbered receipts that indicated the delivery of 129 cases of Pirey Beer, officially valued at

1,622.40 pesos. The original receipts had never been seen in the accounting department, nor was the cash payment ever deposited in the bank. The illicit sale of a total of 232 cases of beer valued at more than 3,000 pesos was proved in the public trial. In an audit these illegal activities were found to have been going on for more than seven months before the beginning of the criminal action in May 1990. The investigation began because of an imbalance between the bank and the factory accounting department.

Sentences of 10 years' imprisonment were imposed by the Ciego de Avila Provincial Peoples' Tribunal upon the three principal individuals involved in the illegal sales of coupons for more than 1 million liters of gasoline destined for state and private use. It was proved that the accused, Irma Claudia Aciota Pelaez, Ivan Martinez Zuniga, and Migdalia Diaz Carmenate, took advantage of their positions as distributors of gas in the Province of Ciego de Avila to falsify documents that permitted the illicit sale of the mentioned quantity of coupons between March and October last year. Additionally, the tribunal imposed the following terms of imprisonment: seven years for Alfonso Alexis Vega Barrera; five years for Vicente Gonzalez Ramos; four for Barbaro Aguila Molinedo; three years and six months for Isnerey Marcilla Herrera; three years for Jorge Luis Sanchez Alvarez; and two years for Felicia del Rosario Chimendia and Manuel de Jesus Caceres. The other sentences included one year of imprisonment for Danilo Gonzalez Orozco, Pablo Leonar Reyes, and Aldo de Benito Lopez Pulido, and nine months for Carlos Rodriquez Nerey, all accused with the others in the crimes for being accessories, falsifying documents, and swearing false testimony. During the trial it was also learned that the very favorable conditions which allowed the crime included abuse of confidence and the lack of control in the gas distribution enterprise of Ciego de Avila, the main center for these crimes. Those convicted of misappropriating coupons for more than 1 million liters of gasoline in Ciego de Avila have the right to appeal to the Supreme Peoples' Tribunal.

Consequences for Electric Consumption Violations

FL0304170091 Havana Tele Rebelde Network in Spanish 1200 GMT 3 Apr 91

[Text] The actions that constitute violation of the electric service regulations are established by Decree 163 which was published in the official gazette last 22 February.

[Begin recording] [Reporter Miguel Angel Ribalta] Are you familiar with Decree 163 which establishes the consequences for violations of the electric consumption restrictions?

[First unidentified speaker] We are not familiar with it. We do not have a copy of the decree in this unit.

[Second unidentified speaker] I do.

[Three other unidentified speakers] No.

[Ribalta] In the case of state enterprise customers with a demand of up to 50 kilowatts—such as food markets and shopping and service centers in general—Decree 163 establishes that the consumption and the load will be checked and the necessary recommendations will be issued. They will include personal fines in cases of excessive consumption or violations of regulations. The responsible parties will be appropriately punished in case of repeat offenses.

State consumers with a demand of up to 50 kilowatts that exceed their monthly allotments will be fined 100 pesos. Those who handle, tamper with, or alter electric power meters to obstruct the free flow of energy or its proper operation will also be fined 100 pesos. [end recording]

Barbados

Sandiford Imposes Additional Taxation in Budget

FL0304004791 Bridgetown CANA in English 2147 GMT 2 Apr 91

[Text] Bridgetown, Barbados, April 2, CANA—Barbados Prime Minister Erskine Sandiford on Tuesday imposed net additional taxation of 74.2 million (1 Bds. [Barbados] dollar equals 50 cents U.S.) in a 1991 budget he said was aimed at checking a runaway fiscal deficit and avoiding social and economic destabilisation.

The 1.35 billion dollar budget for the year beginning April 1, 1991, envisaged a fiscal deficit of 370 million dollars—50 million dollars more than in 1990. Sandiford, who is also minister of finance, announced a comprehensive revision of consumption taxes expected to raise 60 million dollars, and a new 1.5 percent stabilisation tax on gross income, projected to net 30 million dollars.

Said Sandiford: "We face the choice of taking action now, with all its attendant sacrifices, to stabilise the economy, or of delaying action and paying the high price of disorderly adjustment, with its unbearable social and economic cost. I prefer to take action now and seek to avoid a structural adjustment package imposed from outside with massive layoffs, painful spending cuts in the public sector, devaluation of the Barbados dollar, and rising interest rates."

He reiterated that there will be no devaluation of the Barbados currency. Sandiford said the additional taxation amounted to 94.2 million dollars but that with the anticipated loss of 20 million dollars from this month's implementation of the new Caribbean Community Common External Tariff (CET), the net rise was 74 million dollars.

Current revenue for the year is pegged at 977.6 million dollars. The tourism and cotton subsectors are targeted for government injections of 2 and 1 million dollars

respectively. Imports of computer components will now be free from duty and consumption tax, in keeping with last year's exemption of fully-assembled computers.

The new stabilisation tax will apply to April-December 1991 incomes. It is chargeable on gross incomes, dividends actually received, as well as travel and entertainment allowances over 6,000 dollars per annum, and will be non-deductible for tax purposes. Sandiford announced an increase in the basic consumption tax rate from 10 percent to 12 percent, except in the case of liquified petroleum gas [lpg] (tax of 40 percent on all lpg, and a 2 percent rise in all other value-added taxes.)

The tax on motor vehicles of chargeable value 30,000 dollars and less increases from 50 to 60 percent, and from 70 to 80 percent for vehicles of chargeable value above 30,000 dollars. Other miscellaneous increases include the airport departure tax, which goes from 20 to 25 dollars, and is expected to raise an additional 2.4 million dollars.

Barbadians were warned not to expect any real economic growth this year. The key tourism sector, the prime minister said, was expecting revenue losses of 15 to 20 percent, due largely to the ill effects of the Gulf war.

The government's annual economic report tabled in Parliament with the budget presentation showed that in 1990 real gross domestic product (gdp) fell by 3.1 percent. Per-capita gdp at factor cost rose by 2.0 percent to 11,274 dollars. The agricultural sector grew by 8.5 percent, but real output in the manufacturing and tourism sectors declined by 2.7 percent and 9.8 percent, respectively. Crude oil production rose by 16.7 percent to 454,424 barrels and met 31.0 percent of local demand, compared with 28.2 percent in 1989.

Unemployment for the period October to December 1990 increased by one percentage point to 14.7 percent from 13.7 percent for the same period, 1989. Some 18,400 persons were unemployed during the 1990 last quarter, according to the report.

Inflation remained low at 3.1 percent compared with 6.2 percent in 1989. The deficit on the balance of payments was 105.0 million dollars, 33.5 million dollars higher than in the previous year. [The] government's finances deteriorated, with the deficit reaching 229.2 million dollars, or 7.8 percent of gdp.

Haiti

Aristide, Private Sector Debate Economic Solution

FL0304225091 Port-au-Prince Radio Metropole in French 1700 GMT 2 Apr 91

[Passage in italics in Creole]

[Excerpt] For the first time since he took office, President Aristide received the private sector, at his invitation, in the National Palace this morning. President Aristide spoke of two powers: political and economic. The purpose of the meeting was to assess what can and must be done in order to make the most of the new democracy which began on 7 February with the advent of the current government.

The future of the country depends on its political and economic powers. The country needs you, stated Father Aristide. Without you, the road will be long; with you, the road will be smooth. When political power guarantees the rights of economic power, it monitors employment for actual increases. The government wants to promote local production, and increases in salaries depend on this production. It is through dialogue between the two powers that things happen, stated Jean-Bertrand Aristide.

The president of the Republic pointed out that his economic program is described in his book *The Chance That Passes By*, published before the electoral campaign began. You are a part of the economic power; I am a representative of the political power. It is time that we start. It is not the time for charity; I am not asking you to beg things of me, but rather to begin negotiations, stated Father Jean-Bertrand Aristide. He warned of the risk of social upheaval if something is not done soon to improve the miserable conditions of the population.

Let us listen to an excerpt of the opening speech delivered this morning by President Jean-Bertrand Aristide during his meeting with the private sector at the National Palace.

[Begin Aristide recording] This morning I am inviting you once again to engage in a dialogue between the political power and the economic power. I am not the political power and you are not the economic power. I am part of the political power, as you are part of the economic power. The country's 6.5 million inhabitants focus on your economic power, just as I represent political power to them, together with the executive, the members of the government, and the people themselves who are a bridge between economics and politics. Through dialogue we can better understand how to work out the process for quick results, because it is already time that we began.

Everyone has been aware since 7 February 1986 that those who can invest and create jobs should do so, for the same people who create jobs can earn money, according to regulations and conditions, in the process. I speak in these terms because I have a responsibility on my shoulders which urges me to encourage you, brothers and sisters, so that this move towards you is not made within the context of begging; it is not the time to beg or to ask for charity. It is a time for negotiation, negotiation within the framework of mutual respect. When one invests, there is no question of charity, but rather a question of rights, the right to invest, the right to demand, the right to expect, and the right to negotiate one's powers.

Economic power is a sensitive thing. When money is spoken of, what rings in our ears are the codes of

personal interests. I do it, I understand it, and I am renewing my commitment to you to protect your rights, to protect your interests, but also to ensure that these people whose critical awareness becomes more and more critical do not one day ask us too many questions and point accusing fingers, beginning with me, then work their way through you, because of our responsibilities. The entire world is watching us. [end recording]

These were the statements made by President Jean-Bertrand Aristide at his meeting this morning at the National Palace with the private sector. Several points were debated during this meeting. On the matter of an increase in the minimum wage, the industrialists explained that it is not the economic solution for the moment. On the contrary, they argued, it will cause more problems for Haiti, especially now because of the competitiveness in the Caribbean. Countries such as Jamaica and the Dominican Republic are ready to employ assembly lines. Thus, raising salaries in Haiti will increase unemployment, and the industrialists will leave for those other countries.

The industrialists are strongly opposed to this minimum salary increase which was voted in by the Senate of the Republic last week, increasing the minimum salary in Haiti from 15 gourdes [$3] to 28.5 gourdes [$5.7] a day. A meeting on this subject is scheduled for employers, the Ministry of Social Affairs [and Labor], and the workers unions for Friday, 5 April.

There was a great deal of discussion during this meeting. Mr. Louisdhon, former director of the Chamber of Commerce, said he was concerned and frightened by the president's statements during the demonstration of the young people at the National Palace on Sunday, 24 March. Aristide was anxious to explain that on that Sunday he was referring to the businessmen who fail to pay taxes and who make crooked deals, to the detriment of the Haitian people. The president made this clarification for the businessmen. Much more was said during this meeting. [passage omitted]

Finance Ministry Gives Salary Advances to MP's

FL0404003891 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Apr 91

[Text] The Ministry of Economy and Finance advises that two salary advances, totaling 1,282,000 gourdes [$256,400] and 2,835,000 gourdes [$567,000] respectively, have been given to members of Parliament [MP's].

The first advance will benefit the 27 senators, who will each receive 30,000 gourdes [$6,000], for a total of 810,000 gourdes [$162,000]; and the 81 deputies, who will each receive 4,000 gourdes [$800], totaling 1,620,000 gourdes [$324,000].

The second advance provides 17,500 gourdes [$3,500] to each senator, for a total of 472,500 gourdes [$94,500]; and 15,000 gourdes [$3,000] to each deputy, for a total of 1,215,000 gourdes.

It is assured that if these advances prove to be higher than the amounts the senators and deputies are entitled to, the proper adjustments will be made. If, on the other hand, the advances prove to be less than the salaries they are entitled to, the parliamentarians will be compensated for the shortfall, according to a note from the Ministry of Economy and Finance.

Macoutes Protest Arrest of Nicoll Poitevien

FL0404000491 Port-au-Prince Radio Nationale in French 1700 GMT 2 Apr 91

[Excerpts] Partisans of Nicoll Poitevien threaten to set the town of Jean-Rabel on fire and to use the sword if their chief is not released. [passage omitted]

[Begin Port-de-Paix correspondent Alexis Georges Monfort recording] Assessment of the situation in northwest Haiti: The arrest on Friday, 15 March, of Nicoll Poitevien [for having authored the massacre of at least 225 peasants in Jean-Rabel on 23 July 1987] has fueled the furor of Macoutes in Jean-Rabel.

In a tract published by the Macoutes on Saturday, 23 March, they threaten to carry out action using fire, [magic] pov der [reputed to provoke bodily injuries or death], sticks, and so on if Nicoll Poitevien is not released. The citizens whom the Macoutes threaten to eliminate include Reverend Father Jean-Marie Vincent. Also in Jean-Rabel are Deputy Benoit Beaubrun, Mayor Michelet Augustin, Richardon Carl-Henry, Richardson Hubert, Aristide Eric, Theophile Richardson, Wilfride Lucdor, Robert Maronne, Beaubrun Bernard, Justice of the Peace Joseph Benice, Beaubrun, and finally, Dejean.

The Macoutes also speak of the FADH [?Haitian Armed Forces], a famous flatterer who can be bought in Jean-Rabel. They go on to say that if Nicoll Poitevien is not released, the storm which occurred in the desert will occur in Jean-Rabel. They are determined [words indistinct] to set Jean-Rabel on fire.

The tract ends by stating that macoutism must progress while the avalanche [lavalas la] is trying to gain ground. The tract was signed by the Carmel P. Luc Committee. We are reminded that before the 23 July 1987 massacre, the Macoutes launched this same kind of attack against the people in the far west [last two words in English], and justice did nothing until after the massacre took place. Will the Macoutes burn down Jean-Rabel as they did Gros-Sable on 9 May 1987? We do not know. [passage omitted] [end recording]

St. Lucia

Opposition Seeks Vote Against Political Union

FL0304193591 Bridgetown CANA in English 1911 GMT 3 Apr 91

[By Peter Richards]

[Text] Castries, St. Lucia, April 3, CANA—The opposition St. Lucia Labour Party (SLP) on Wednesday said it would urge its supporters to vote against St. Lucia entering a political union with the other Windward Islands. SLP leader Julian Hunte, the parliamentary opposition leader, told newsmen his party was totally against a political union of St. Lucia, St. Vincent and the Grenadines, Grenada, and Dominica as the way forward for the sub-region. Asked at a news conference if his party would vote "no" in a forthcoming referendum on the unity issue, Hunte replied "yes, that is correct."

"If the governments continue to press the point regarding Windward Islands political union as the way forward, the St. Lucia Labour Party is quite clear that this is not the road we are prepared to go. We will in fact advise our supporters to vote no," he added.

Hunte's statement, a few days before the start of the second meeting of the Regional Constituent Assembly (RCA) that is discussing the political union initiative, raised speculation that opposition parties in the Windward Islands will again boycott the RCA meeting.

The opposition parties grouped under Scope—the Standing Conference of Democratically Elected Opposition Parties of the Eastern Caribbean—boycotted the first RCA meeting held in January in neighbouring St. Vincent. Hunte said the SLP was willing to participate in the April 22-25 RCA meeting here "on condition that the enabling legislation (for the RCA) is debated and passed by the House of Assembly in St. Lucia prior to the scheduled sitting."

The government has already tabled the legislation entitled Regional Consituent Assembly of the Windward Islands, but debate on the issue has not started. "At that sitting, we will make a categorical statement to all our supporters and St. Lucians....," Hunte said.

Hunte said the SLP was interested in the economic integration of Caribbean Community (Caricom) states. "What is wrong with the status that we currently enjoy?" he asked.

"We were told at independence that when we become independent that we would be able to secure for ourselves a reasonable future.... Nobody has so far said to us that there is anything wrong," Hunte added. "...Instead we are being told that we need to replace what we have with something that nobody can identify."

Meanwhile, Helen Television Service (HTS) announced that a planned television debate for Wednesday night on the unity initiative involving the government leaders of the four islands, had been postponed. HTS said the postponement was due to the fact that one of the leaders, who was not named, was not now able to participate in the discussion, which would have been beamed to the Eastern Caribbean via satellite. Sources told CANA the leader in question was Grenada's Prime Minister Nicholas Brathwaite. HTS said it hoped the debate would be held before the start of the RCA meeting.

Costa Rica

Turkish Consul's Residence Attacked Again 3 Apr

PA0304215991 Panama City ACAN in Spanish 1946 GMT 3 Apr 91

[Text] San Jose, 3 Apr (ACAN-EFE)—Today unidentified individuals fired on the house of the Turkish consul in Costa Rica, Michael Adenauer. Adenauer's residence was also attacked with home- made bombs on 2 April; official sources have reported that no victims were reported in either incident.

Costa Rican Security Minister Victor Emilio Herrera said that early on the morning of 3 April, shots were fired from a moving black vehicle at two policemen who were guarding the area. Further details, however, are unknown.

On 2 April, unidentified individuals threw three "Molotov" cocktails at Adenauer's home; one of the devices exploded in the room of the Turkish official's son without causing any injuries, but resulting in some property damage, Herrera said.

Police investigators have not yet determined who is responsible for these actions, and the diplomat has refused to discuss the incident with the media.

Police sources say that these actions could be related to Turkey's involvement in the war against Iraq as a member the allied coalition, but they also do not rule out personal reasons or criminal intent.

The Turkish consulate is also located at the same house, situated in a residential neighborhood east of the Costa Rican capital.

El Salvador

FMLN Asks Government, Army To Suspend Actions

PA0304135591 San Salvador Radio Cadena YSKL in Spanish 1209 GMT 3 Apr 91

[Text] In a communique read to YSKL, the Modesto Ramirez Urban Commands of the Farabundo Marti National Liberation Front [FMLN] have asked the government and the Armed Forces to suspend their military operations in Chalatenango, Usulutan, and Guazapa, which they launched in order to boost their image in light of the new round of talks that will begin in Mexico on 5 April.

The urban commands said that the government and the Army will be held responsible for any operations the FMLN may launch in San Salvador and throughout the country if they do stop the publicity stunts of the Armed Forces in those departments.

FMLN Rebels Take Over El Poy Customhouse

PA0304160191 San Salvador Canal Doce Television in Spanish 0300 GMT 3 Apr 91

[Text] The Farabundo Marti National Liberation Front [FMLN] today took over El Poy's customhouse along the border with Honduras. Several persons were wounded in the ensuing clash. According to Honduran radio stations, approximately 500 FMLN rebels took over the customhouse at 0100. After fierce fighting, it appears that the rebels blew up the building. A Honduran military source has indicated that the army of his country has redoubled its presence along the border to ensure the security of Honduras.

Approximately 30 [number as heard] customs police were at El Poy's customhouse at the time of the attack. The whereabouts of 22 policemen are unknown and seven others were captured by the guerrillas, a correspondent for Honduran radio station Radio America, who went to the border area, reported. Salvadoran customs policeman Carlos Estrada has reported to that radio station that the guerrillas came in with heavy weapons and grenades and that the building was partially destroyed. Meanwhile, the Armed Forces Press Committee acknowledged the death of three policemen as a result of the attack.

Rivera y Damas on Constitutional Reforms, Peace

PA0404013591 San Salvador DIARIO LATINO in Spanish 1 Apr 91 p 1h

[Text] San Salvador Archbishop Monsignor Arturo Rivera y Damas said that during the month of April, peace will play a decisive role in El Salvador if reforms are made to the Constitution to eliminate any possible obstacles to the cease-fire planned for 30 May.

The archbishop explained that favorable comments over constitutional reforms have already been made, such as those made by Deputy Gloria Salguero Gross and Deputy Security Minister Colonel Inocente Orlando Montano, who represent different sectors.

Msgr. Rivera y Damas said that if there is agreement to reform the Constitution, there will be ample opportunity to approve the reforms during the upcoming Legislative Assembly, which will be broadly pluralistic.

The archbishop said he was pleased that the upcoming Assembly will have a broad participation of parties. This will allow for an in-depth discussion of the motions to be made from various ideological positions.

Rivera y Damas said that there are highly positive reports regarding the negotiations. Despite the fact that there are persons who are opposed to any dialogue and who want to maintain the polarization, the archbishop urged civilians to cooperate in this respect.

Regarding Holy Week, Msgr. Rivera y Damas said that he was pleased to see the large turnout of churchgoers at the liturgical events at the archdiocese.

Nicaragua

Lacayo News Conference on U.S. Meeting on Economy

PA0404012891 Managua Domestic Service in Spanish 1935 GMT 2 Apr 91

[News conference by Presidency Minister Antonio Lacayo with local and foreign reporters at the Augusto Cesar Sandino International Airport in Managua upon his return from Washington, D.C.—live]

[Text] [Lacayo] [Words indistinct] returned to the country today after heading the Nicaraguan Government delegation that attended the meeting called by the consultation group. The meeting was held at the offices of the [six-second break in reception] on 25 and 26 March. This meeting was attended by delegates from 15 countries and six international organizations. We met for two days, basically to discuss the current situation of our economy, the stabilization plan that the government launched on 3 March, and to discuss the support that the international community will give Nicaragua in its efforts to pay its overdue debt to the World Bank and the Inter-American Development Bank [IDB]. To date, this debt amounts to approximately $360 million.

As the communique issued by the Presidential Press and Information Directorate on the day we left stated, we went to the meeting sure that just as Nicaragua had consolidated its participation in 1990, so too in 1991 would it overcome the hyperinflation that has plunged us into the deepest economic crisis in our history. We will overcome this situation with the support that all the social sectors have given the National Plan for Economic Stabilization, which is the result of the broad spirit of reconciliation and concerted effort that today prevails in our country.

At the meeting we gave a detailed presentation of our economic plan and the results to date of the plan. We also heard the views of the IMF, the World Bank, and the IDB concerning our plan. We are truly pleased with the comments we heard, particularly the opinions of the IMF, the World Bank, and the IDB. These comments were highly positive for Nicaragua. In the formal communique issued by the IMF, it is stated that in early March the Nicaraguan authorities took steps to implement the main elements of an economic plan, the main goal of which is to drasticly reduce the rate of inflation. The IMF also stated that the plan has been drafted in such a manner that it will curb the decrease in our GNP, which has dropped steadily over the past 7 years. The communique also states that as a result of this plan, our inflation rate will probably drop by 40 to 50 percent per month and reach single digit levels by late this year. The IMF communique also issues a clear call to the international community to help Nicaragua. This is very important. The IMF not only commented favorably on our economic plan, but also made a very clear call to the international community to help Nicaragua catch up with its overdue commitments to the international financial institutions. Once we have paid our overdue balance, the financial institutions will be able to provide the financial and technical aid that will help Nicaragua create the necessary conditions for sustained economic growth.

The IMF also stated that, for the time being, Nicaragua depends strongly on the financial aid provided by the donor countries. Therefore, these countries should act quickly—as soon as possible, as it is worded in the communique—to provide Nicaragua with the economic aid it needs to make its economic plan successful over the medium-term. This success will be possible with the loans we will be receiving from the IMF, excuse me, from the World Bank and the IDB.

In addition to the views the IMF has issued, it was very interesting to see that IDB President Enrique Iglesias himself not only headed the IDB delegation to the meeting, but also spoke very favorably of the economic plan and the need to support Nicaragua in its attempt to cover its overdue payments to those institutions. Likewise, the World Bank, the organization that hosted the meeting, also expressed itself very constructively concerning Nicaragua and made a call to the international community to support Nicaragua's efforts. It also announced that a World Bank delegation will arrive in Managua on 15 April, not to discuss the overdue payments, but to begin studying the investment plans that Nicaragua will present. These investment plans will be financed by the loans the country will receive once the overdue payments have been made. In other words, taking for granted that we will cover our overdue payments without any problems, the World Bank will be sending, as of 15 April, its first mission to evaluate specific plans to improve our infrastructure, social plans, and production plans. In this manner, we will advance study of the plans at the same time that we are paying off our overdue balance. It is hoped that by the end of the year, we will not only have paid off our overdue balance, but the loans granted by those institutions will begin to arrive in the country so that we can initiate the economic growth phase that we have scheduled to begin in 1992.

Once the other countries heard the Nicaraguan delegation explain the details of the plan and after they heard the solid comments of the IMF and the two other creditor banks, they all—I will name them in alphabetical order, Canada, Denmark, Finland, France, Germany, Italy, Japan, Mexico, the Netherlands, Norway, Spain, Sweden, and the United States, Korea [not further specified], and Venezuela—described the plan as solid, feasible, and courageous. Those countries not only expressed their support for the economic plan, but also for the policy of consensus that developed in Nicaragua prior to the drafting of the plan.

Luis Sanchez Sancho, representing the majority at the National Assembly, and Sergio Ramirez Mercado, representing the opposition, accompanied the government delegation to the meeting in Washington, which was viewed very positively. Sanchez and Ramirez expressed similar views in support of the plan and also told those present at the meeting about what the National Assembly is doing to contribute to what we could call the structural adjustment phase. This structural adjustment phase will complement the economic stabilization plan with such laws as the Bank Superintendency Law, which was approved exactly 12 days ago, and with the scheduled debates on the new foreign investment law. The foreign investment draft bill will be discussed by the National Assembly in April.

As a result of all this—acceptance of the economic plan and the views of the IMF and the two creditor banks—the World Bank has announced, for sometime within the next 7 weeks, the implementation of a mechanism to conclusively establish the type of support each of the countries present at the meeting will give Nicaragua. This support will be announced at a meeting to be held on 15 and 16 May in Paris. The May meeting was scheduled prior to the one held in March. The May meeting will conclude the round of talks that began in Paris in December, when our plan was still in the drafting stages, and continued through the 25 and 26 March meeting in Washington, when our plan was explained. As I have already said, the May meeting will conclude the round of talks. We are sure that the mechanism implemented by the World Bank on 26 March together with the high-level bilateral efforts—telephone conversations and personal meetings between President Violeta Chamorro and the leaders of the various countries, as well as contacts between our ministers and their counterparts—Nicaragua will undertake with each of the countries....[changes thought] We believe that the support, already expressed in general terms at the Washington meeting, will be made more specific at the May meeting. We are hoping that their contribution will be as substantial as possible, and this is very important. In other words, we have no doubt that Nicaragua will be able to pay off its overdue balance. There is a political will to do so and the World Bank has already established the mechanisms to do this. All we seek now is simply to get as much aid as we possibly can so that the stopgap loans will also be as substantial as possible. In that way, the greater part of the first loans Nicaragua will receive from the World Bank and the IDB to help with the balance of payment will be used to promote development in 1992. Only a small part will be used to pay off the stopgap loans that will complement the aid we will receive from the other countries.

In addition to being very pleased with the results of the meeting, we believe this represents a dual task for the government and for Nicaragua as a whole. The domestic task, which we all know concludes on May 22, is intended to ensure that prices continue to drop and that the wage scale established on 3 March will have the same—or greater—purchasing power as the one in February.

In addition to the domestic task, we will also have to continue with our foreign task, which we have been working on since the day after the meeting concluded. There is no doubt that President Chamorro's trip to Washington on 15, 16, and 17 April will be very profitable. This trip will give her the opportunity to speak with one of the most important nations involved in the agreement. Also, the king of Spain's visit to Managua on 18 and 19 April will likewise contribute to our cause, as Spain also plays an important role in this agreement. Furthermore, there is Venezuelan President Carlos Andres Perez' visit on the occasion of this government's first anniversary on 25 April. His visit is noteworthy, given that Venezuela also plays a very important role in this agreement. We believe that all of these endeavors, coupled with the procedures established by the World Bank to conclude the agreement in May, will significantly increase these nations' contributions to Nicaragua. Our 3 March stabilization program provides that once Nicaragua's economy is stabilized in 1991, it will be able to count on enough resources for its economic takeoff in 1992.

[Unidentified reporter] Mr. Lacayo, could you expand a little more on the investment and development programs that the government is going to promote? With regard to the projects that are going to be presented to the World Bank, will most of the projects be in the agricultural sector or are there other types of investment projects?

[Lacayo] Nicaragua has already drafted projects that are aimed, above all, at improving our infrastructure. These projects will be presented to the World Bank through its mission that will arrive here on 20 April, and to the IDB, with which we have been working for some months. These projects include the improvement of power lines and water supplies, the improvement of our rural roads to benefit agricultural production, the improvement of education and health sector infrastructures, and social projects such as job generation. Above all, these projects are for the reactivation of our production line with regard to the agricultural and cattle raising sectors.

[Unidentified reporter] Is there any special project for the improvement of infrastructure that would benefit cattle raising and agricultural production or irrigation [words indistinct]?

[Lacayo] We have always believed that one of the first tasks to be carried out is to reactivate the nation's coffee production. Nicaragua has a very high potential as a coffee producing nation. Costa Rica's coffee production is reaching 4 million quintals annually; therefore, Nicaragua should be able to produce 5 million quintals in a few years. We have better and more land, but we are only producing 600-700,000 quintals, which is about one-seventh of our capability. The same is happening with our cattle raising activity. We have extensive land and in the past have exported approximately 60 million pounds annually. However, in recent years we have exported very little beef. Both of these activities, coffee producing and cattle raising, require medium-term investments.

The coffee producers must be granted credits, not only to harvest but also to plant their crops. These are usually medium-term credits—at least five years—so that producers can invest in seeds, plant their crops, and then wait two to three years before their crops start to produce. The same occurs with cattle raising: The farmer has to start by raising calves. All of this is part of an overall program that also includes road improvement. We are talking about a line of credit of approximately $40 million. The improvement of roads throughout Nicaragua also bears upon our coffee production and cattle raising activities. We truly believe that those missions that will be visiting us now have the duty to carefully study these projects so as to guarantee that any new debt contracted by Nicaragua will be well invested so that in the future we can meet our obligations.

I would like to mention that at the meeting in Washington, the World Bank officially announced—although we had been told before hand—that Nicaragua had been labeled as a [word indistinct] nation. This means that Nicaragua will have access to soft loans, under the most favorable conditions. These are lines of credit that are granted to nations with an income of less than $500 per capita. Unfortunately this is our case. However, it will also help us, as Nicaragua's new debt with these organizations, specifically with the World Bank, will be very long-term debt. I am talking about 30- to 40-year lines of credit at 3-4 percent annually. These are very favorable rates given that the current rates are at 7-8 percent.

[Moderator] Alberto Perez, EEC correspondent.

[Perez] Dr. Lacayo, during the EEC foreign ministers' meeting held in Nicaragua recently, there were strong signs, or at least expectations, of economic support for Nicaragua. What does this have to do with the negotiations that might be conducted by this government delegation? One other question. Is it true that the U.S. Government's disbursements are being used as a means to pressure the Nicaraguan Government regarding Colonel Bermudez' murder and the Army chief's position? What do you have to say about this? Are the disbursements being made as quickly as they should?

[Lacayo] The fact that the San Jose VII meeting was held in Managua does not necessarily mean that Nicaragua was the main topic discussed. This kind of meeting is held once a year, first in Europe and then in some Central American country. The main topic of discussion is the Europe-Central America relationship, not the relationship between Europe and the host country. Naturally, we profited a lot from the presence of foreign ministers and delegations from important European countries who had an opportunity to see our reality, our poverty, and the Nicaraguan people's efforts to solve the country's situation. This direct observation will surely influence countries like Germany, Spain, Italy, and France—all of them EEC countries—regarding their final decision on the aid we will be requesting in the next few weeks. For instance, the fact that the French foreign minister was here and observed our reality will obviously slant the member countries' political willingness toward Nicaragua.

Now, about your second question. I have never heard about U.S. Government pressure on the aid and the delay this aid may have experienced because of Col. Bermudez' murder. We have not experienced any delays for this reason. I wonder where this completely groundless report may have originated. Taking advantage of the meeting with the World Bank on Monday and Tuesday, I met later in the day with U.S. State Department officials and talked about the Department's willingness to aid Nicaragua, which we intend to put to good use. The IMF's aid to our economic program is certainly timely. We are sure that the aid will fall on fertile land, so to speak, and will not be corrupted as it was by the previous regime.

[Moderator] Felipe Castillo of Extravision.

[Castillo] It was said that Nicaragua was attending this meeting to seek a good rating from the international organizations. I would like to find out if you feel that Nicaragua sought this. Second, there is a lot of concern among the Upanic [Union of Nicaraguan Agricultural-Livestock Producers] and UNAG [National Union of Farmers and Cattlemen] sectors with regard to the soil preparation period. We are just entering the early planting season and it is not known if this effective and real aid, the foreign exchange to Nicaragua, will be arriving in our country in late September or in October. I would like to know if there are resources or a special program for this, as it is vital to [words indistinct] for the early harvesting season. I would also like to know the status of the resources for the balance of payments. It is vital to have these resources. What are our possibilities?

[Lacayo] We feel that the IMF's statement was very clear. In fact, I think it was a surprise at the meeting because it did not limit itself to stating that the program was correct, but issued a call to the international community to act decisively. We are very pleased with this. Knowing the nature of the IMF, it could have come up with a very objective and technical opinion, but it went farther than that. Thus, we were very pleased.

We were also pleased with the presence of Enrique Iglesias, who is the bank's president. We feel that the fact that he headed his delegation was very significant. We think that the good rating does exist and it is now serving as a tool to pressure the international community.

Just as the ball was left in our court during the meeting in Paris on 3 and 4 December—because we had no credible program and the IMF did not have a good opinion of our economy because we had terrible inflation back in October and November—now that same ball is on the opposite side of the court because of the program we launched and the IMF's opinion. Therefore, the program does exist. It is not only on paper, it is being implemented. It is a program that the international community described as solid, feasible, and courageous.

Other very constructive terms were used to describe our program. In addition, there is the IMF's opinion. In fact, the international community had, to a certain point, requested a [words indistinct] meeting. Consequently, the ball is in their court.

The Nicaraguan Government will, however, make every necessary effort in the coming weeks to guarantee that more contributions are made so that we can reduce to a minimum the need to request the stopgap loans we mentioned.

With regard to the soil preparation period, I would like to establish a difference here. The resources for the stabilization program that are already in Nicaragua have absolutely nothing to do with the resources that we will get from the World Bank and the IDB at the end of the.... [changes thought] It is good for that to be made clear. In other words, our stabilization program for 1991 is independent from the meeting held in Washington and the upcoming meeting in Paris. Those resources had been obtained before. Those are the resources from AID, Taiwan, and the foreign cooperation [words indistinct] amount to approximately $300 million, which is what we have.

Therefore, resources for UNAG are extra. The program must be implemented. That is one of our priorities for the month of April. We have already begun to give the credits for the early season and for the coffee season. This is how we will do it. I have a meeting scheduled for tomorrow to discuss that. The credits that we will get from the IDB and the World Bank will be used for our economy's growth phase, in other words, that which would be started in (?1991). This is something completely different.

We feel this is very basic. We do not believe that Nicaraguans should have to contend only with stabilizing the economy, as we have been doing this year. We want to grow. We want to generate permanent jobs. We will not do that based on foreign cooperation only. We will do it with the help of foreign cooperation plus the credits from the IDB and the World Bank, which involved a large sum of money. Such funds would complement the foreign cooperation but it would be for 1992.

The almost $300 million we have for this year will be devoted entirely to supporting the balance of payments. This will eliminate the Finance Ministry's external deficit [deficit inorganico] and make it possible for the banking system to operate with a deficit, but an internal one [deficit organico]. This means that the Central Bank should have resources for both the Finance Ministry and the National Financial System without having to resort to issuing currency without any backing. This involves the almost $300 million which we have said [words indistinct]. We did not start the stabilization program to build something out of nothing. We first had the resources, and then we started it. Now, with the moral authority of having launched this program, we are pressuring the international community into helping us [words indistinct] to get these banks to lend us money for the second phase: the year 1992.

[Moderator] Roberto Gonzalez of Radio Sandino.

[Gonzalez] Dr. Lacayo, the problem is that expectations were created, false expectations among certain groups, and also among us journalists. We thought that you, or rather the Nicaraguan delegation, would obtain money from those donor countries right now, to have it at our disposal over the coming months to face the [word indistinct] of the next harvest.

Also, the economist Alejandro Martinez Cuenca said about 15 days ago that Nicaragua needs an additional $200 million to launch the economic plan. I would like you to clarify this. As for the donor countries, while you were in Washington a news dispatch reported that these countries had offered little more than 50 percent of our debt in arrears; that is, $175 million was guaranteed. I would like to know which countries guaranteed the $175 million.

[Lacayo] Perhaps the confusion stems from the fact that some people thought the resources from the IDB and World Bank were needed for our programs this year. This is why I wish to make this clear. There should be no confusion, because when we met with the press a few days earlier on 3 March, we explained—as we had done on television on the very day we announced the measures—that the resources needed for the "Let Us Move Toward the Cordoba Stabilization Program" had been secured. They were secured.

This is why the government is covering payroll costs and government expenditures, which were already included in the budget, without having to print unplanned money [emision inorganica]. I agree with Dr. Martinez that we would be in better shape if we had an additional $200 million, because we could adjust salaries and grant more credit.

I believe, however, that our most important task for 1991 is to stabilize our economy. We would like to grow this year, but, as an IMF communique states, after our GNP has been falling, after our ability to produce has been falling for seven consecutive years, after our economy has sort of shrunk for seven consecutive years, I believe that a good goal for 1991 is to stop the drop in the GNP, to achieve stabilization. Afterward, we can start the phase to reverse that process.

If we had $200 million more, we could start to grow, but we do not have it. We have only enough resources to carry out our credit program—similar to last year's but somewhat broader—and our national budget, as approved by the Legislative Assembly, without having to issue worthless money. These resources are the little more than $200 million guaranteed for us by AID,

Taiwan, and foreign cooperation. Groundless expectations were perhaps created when some media reported that [words indistinct]. We need this money to start our (?operations) in 1992.

We think the international community's reactions are positive. Canada and the Scandinavian countries, like Finland, Sweden, Norway, and Denmark, as well as France, Japan, the United States, and the Netherlands, have already favored sizable contributions to this plan. This is handled by the IMF, I mean the World Bank. I think we have already walked more than half of the way. In other words, we have been guaranteed that (?these) will contribute at least half of the $360 million. As for the rest, there should not be any problems because we could negotiate stopgap loans.

As Nicaraguans, we are not interested in closing the gaps with this kind of loan, which we will have to repay later. What we have to do is to push hard so the international community can increase its level of contributionn. We have to invite countries that are still undecided so they can make a decision next week. We will try to get as close as possible to the $360 million. This is our goal. I am very satisfied. I held a very different meeting with the Paris government. As we said before, Nicaragua had to do all the work before. Now it is up to the international community. Naturally, we will do our part in Nicaragua to implement the (?successful) program. [Words indistinct] I think, however, that we are going to receive a good contribution.

[Moderator] [Words indistinct].

[Unidentified reporter] [Words indistinct] the Paris meeting, what would happen with the economic takeoff planned for 1992?

[Lacayo] The takeoff would be slower, but we are going to take off, simply because a large part of the resources have already been attained and the rest would come from stopgap loans. That would mean that when the World Bank and the IDB give us the first loans late this year, the funds will be used to pay for those stopgap loans, and we would not have as much money for growth. To be sure, we are going to grow, but we want to grow as strongly as possible [words indistinct] because Nicaragua's needs in all fields are enormous.

[Moderator] Osvaldo Bonilla of UPI.

[Bonilla] Can you talk to us a little more about President Chamorro's trip to Washington? Is it related to the aid to bring up to date our arrears payments?

[Lacayo] The president is making an official visit to Washington. In her first year of government, she visited Mexico, Venezuela, Costa Rica, and Guatemala to attend the summit meetings. She also visited the United Nations, Japan, Germany, the EC, and Czechoslovakia. Now she is going on an official visit to Washington. The purpose of the visit is to increase the relations of friendship between Washington and Managua. Another purpose of the visit—this does not apply to the United States, which has pledged $50 million—is to influence, through the United States, countries such as Japan that work closely with the United States. Japanese Prime Minister Toshiki Kaifu will be visiting Washington next week, while President Chamorro will go the week after that. Considering that Japan is one of the important countries that must make its decision the next week, we believe this is the (?right) time for President Bush and Prime Minister Kaifu to discuss the matter so that Japan jumps on the bandwagon.

This will be a regular trip, like the ones she has taken to other countries, but it will hopefully serve to increase the contributions of countries that are friends of the United States and increase the ties of friendship between the U.S. Congress and Government and Nicaragua.

[Moderator] [Name indistinct] Monterrey.

[Monterrey] Before posing my question, I would ask you to please not regard my question as negative or pessimistic. Dr. Virgilio Godoy said yesterday that this is the Lacayo plan, which lacks credibility and will fail. Based on that premise, are you adhering to your stance of stepping down should the plan fail? I feel that the majority of Nicaraguans do not want the plan to fail.

[Lacayo] That is Dr. Godoy's view, and we take it into consideration. This is not my plan, however. It has been worked on for a long time. Working on that plan have been all the ministers, not just those dealing with economic areas but also ministers working in areas that are related to this plan. We think that just as the efforts to bring about peace did not fail because it was something all Nicaraguans wanted—peace was thus attained in 1990—the stabilization plan will also not fail because all Nicaraguans want to end the hyperinflation.

In April, the level of inflation will most likely be the lowest we have had in the Chamorro government, which will be very similar to the levels registered during the best times of the previous government. The plan will give great relief to the people. We all want it to work, and if we want it, we feel no force will prevent the success of this program. That question coincided with....

[Unidentified reporter, interrupting] My question is a simple one. Everything that you said indicates the government's plan has received high praise in Washington. In addition to the praise, was there any criticism or misgiving regarding the content of the plan and the agreement between the government and the FNT, the National Workers Front?

[Lacayo] I would say that during the meeting no misgiving was stated. Prior to the meeting there had been rumors, the same old rumors that all agreements reached by the government are always bad for the government. The truth is that during the meeting no country questioned the agreements with the FNT. They were rather

pleased to see that the country's political, economic, and labor sectors back this plan and that the agreement signed with the FNT would simply clinch the support that all the Nicaraguans are giving the program. The fact that the truce offered by the government is being respected was seen as an expression of the will to have the plan succeed.

There was not just praise; there was also performance. Two foreign cooperation agreements were signed with Sweden. Agreements on social projects were signed by Nicaraguan Foreign Cooperation Minister Erwin Krugger immediately after the meeting.

This has served to make obvious the interest that Sweden and the other Nordic countries have in ensuring that the social costs of adjustment programs implemented in Nicaragua are not placed on the shoulders of the most maltreated sectors, but that they are somehow shared and that the poor sectors are protected.

I believe that there was praise for Nicaragua during the meeting. Perhaps those countries never thought that the implementation of such a heavy devaluation or adjustment could possibly elicit from the people the kind of reaction we have seen: No supermarket has been attacked, no bus has been set on fire, no citizen has been jailed or killed because of the adjustment plan.

We have seen that when this kind of plan has been implemented in other Latin American countries, it has been followed by much violence and a resulting repression to stifle the agitation of people who openly declare themselves against the plan.

In the case of Nicaragua, dialogue and negotiations have prevailed. We have listened to the arguments that the various sectors had regarding our plan. There are some sectors—the university community and the banking system, I believe—that must continue with their negotiations because the agreement with the FNT establishes, as requested by the FNT, that decentralized government institutions are to negotiate directly with their labor unions. In the case of the university, there is the understanding that the problems are a result of the budget law.

The plan has been in effect only one month, and all the people are pushing for the plan to succeed. This has contributed toward making the international community see that in Nicaragua we work fast. Just like the war ended last year and the contra fighters quickly demobilized themselves and the Army was quickly reduced, this year we are moving speedily on the road to stabilization, development of private banks, privatization, and everything else that must be done to have a healthy economy that will benefit Nicaraguans and create sources of employment for everybody.

[Moderator] Thank you very much.

Bank Branches To Close To Pressure Government

PA0304161291 Managua Radio Sandino in Spanish 1232 GMT 3 Apr 91

[Text] The Federation of Bank Workers has announced that all bank branches in Managua will close today to further pressure the government into meeting their demands for salary increases and guaranteeing that workers will not be fired without justification.

Yesterday, a number of branches were still cashing checks for retired people and payroll checks, based on instructions from the labor unions. However, since the central bank refused to supply the banks with cash, all branches will be closed today.

Federation spokesman Pedro Turcios told this radio station that Central Bank President Raul Lacayo said last night that the salaries might be raised by 350 percent, but in order to do this, 3,000 workers would have to be fired immediately. Turcios said that the work stoppage will extend to all branches of the four commercial banks throughout the country tomorrow. The bank workers took to the streets yesterday, marching from the bank headquarters to the central bank in Nejapa, where they demanded that they not be fired without justification and that the national finance system be supplied with cash.

Panama

PRD Leader Accuses Government of 'Surrendering'

PA0304161091 Panama City ACAN in Spanish 1557 GMT 2 Apr 91

[Text] Panama City, 2 Apr (ACAN-EFE)—Gerardo Gonzalez, president of the Revolutionary Democratic Party (PRD), the largest Panamanian opposition party, today accused the Government of Guillermo Endara of "gradually and secretly surrendering" the sovereignty of this country to the United States.

Gonzalez told ACAN-EFE that his party is opposed to the renegotiation of the 1977 canal treaties, which has been requested by legislators from both countries, as well as the proscription of the Army in Panama, because this violates the treaties.

With respect to a bill proposed by some U.S. congressmen requesting renegotiation of the treaties to extend the U.S. military presence on the Isthmus, Gonzalez said: "Some confused U.S. senators believe that, given the fact that Panama is currently in the hands of a puppet government, the country is like a pie that is going to be given away."

In conformity with the 1977 canal treaties, before 31 December 1999, the canal should fully revert to Panamanian hands and the U.S. troops should pull out of the country.

Endara has said that, at least during his administration, which lasts until 1994, the treaties will not be renegotiated, despite the fact that other government sectors support renegotiation of the treaties. According to recent polls, most Panamanians also support renegotiation of the treaties.

Gonzalez, a deputy and former vice president of Panama, has stated that the Endara administration is hindering compliance with the canal treaties with a constitutional reform bill that bans the existence of the Army.

Gonzalez further stated: "This allegedly antimilitary constitutional reform bill is a violation of the treaties and we are going to strongly oppose it."

According to Gonzalez, Panama cannot fail to comply, by way of constitutional reform, with an international agreement which stipulates that Panama will assume the defense of the waterway, beginning in the year 2000.

Gonzalez recalled that, in December, Endara requested the assistance of U.S. troops to quell a police rebellion. He added that, if the government was not strong enough to solve that crisis, "how is it going to present to the international community a demilitarization program that will leave the canal unprotected?"

Gonzalez said: "The canal should be protected from adventurous attacks, drug trafficking gangs, guerrillas, etc. It cannot be left exposed and guarded by only a club and whistle police."

Concerning the government's argument that the interoceanic waterway cannot be militarily defended, Gonzalez replied: "If it cannot be defended, why are there U.S. troops in Panama?"

The PRD was founded in 1978 by Panamanian General Omar Torrijos, who signed the current canal treaties with then U.S. President Jimmy Carter.

Until the 1989 U.S. invasion, which toppled Manuel Antonio Noriega and brought the Endara government to power, the PRD was the largest political group that supported the military regime. The PRD currently has nine legislators in the Legislative Assembly.

Former Soldiers Implicated in Telephone Espionage

PA0304160991 Panama City EL SIGLO in Spanish 2 Apr 91 p 1, 8

[By Aneldo Arosemena]

[Text] An important leader of the Arnulfista Party who is also a close aide of President Guillermo Endara told this reporter that two residences located in an area of military coordination, in Balboa, that are the responsibility of the National Police were being used for telephone espionage and for other forms of political espionage activities under the direction, presumably, of Aristides Valdonedo and Fernando Quezada, two retired soldiers who sympathize with the Christian Democratic Party [PDC].

Diplomatic Maneuvers

Houses 322A and 322B are located in an area that the Canal Treaties have established as a military coordination area and it became necessary to carry out diplomatic maneuvers at the Foreign Ministry level so that agents of the Institutional Protection Service [SPI] of the Presidency could be allowed to raid the houses. Earlier such an attempt was prevented by U.S. Army elements stationed in the canal area.

The Gringos Prevent the Raid

According to the important government source, "groups loyal to the president" (this is how the government source referred to the SPI) tried to raid the "police" houses on 22 March, but the raid was prevented by the Americans because it is an area of "military coordination" and U.S. military personnel live there, despite the fact that it is under Panamanian jurisdiction. On Monday, 25 February [as published], after this newspaper revealed that telephone espionage was going on, the SPI raided the houses occupied by the "police" and found parts to equipment used in sophisticated telephone espionage. The source said: "The equipment that was there was quickly dismantled, but, since it was very sophisticated, it was not possible to remove all traces of its existence there."

Valdonedo, Quezada, and Nieto Involved

The SPI agents found a so-called logbook, along with the records of Panamanian political leaders such as Mayin Correa, Nestor Mendez—a teachers' leader—and others.

Police Intelligence Chief Major Miguel Nieto has been identified as the person responsible for the alleged espionage office. Supposedly the office had also obtained the collaboration of Fernando Quezada and Aristides Valdonedo, who once served as National Police chief and deputy chief, respectively, through Vice President Ricardo Arias Calderon, who is also minister of government and justice.

Apprehensive Behavior

The source, who asked not to be identified for the time being, said that there are some reports according to which Nieto, a former intelligence officer in the days of the Defense Forces, "has been behaving in a somewhat apprehensive fashion and could be in favor of some civilian and military Norieguists."

The Arnulfista leader said: "There is evidence and conclusions from investigations that prove that equipment for telephone tapping and political espionage had been set up in those houses." He added: "The party has acted irresponsibly by letting the media and the people conclude that the president is a fraud."

Irresponsible Arnulfistas

The presidential adviser said: "Neither the president nor the majority of the officials knew about this office. It was completely secret." The adviser believes that the Government and Justice Ministry, which is headed by Ricardo Arias Calderon, gave the nod to the espionage office and must now explain who is responsible for the unconstitutional telephone tapping.

Finally, the official said that the leadership of the Arnulfista Party is analyzing the information that has been obtained. He complained that the Arnulfista Party has acted irresponsibly by not backing the president when he said on 25 March that his telephone had been compromised.

Presidency Buys Weapons From Israeli Firm

PA0304172391 Panama City LA PRENSA in Spanish 3 Apr 91 p 1

[By Vilma Figueroa B.]

[Text] A government source who asked to remain anonymous told LA PRENSA yesterday that Carlos Bares, director of the Presidency's National Institutional Protection System, has purchased heavy-caliber firearms from an Israeli military arms manufacturing plant.

Although the source said that he does not know how many weapons were purchased, he did report that the order included Uzi submachineguns, 9-mm ammunition, automatic pistols, and other items.

The source added that the firearms arrived in Panama through an import firm, but this firm was told at the Costa Rican border that import taxes had to be paid. This delayed the delivery.

Later, and after getting in touch with the Presidency, the firm's representatives told the local officials on duty that no taxes were to be paid because the weapons were for the Presidency. Only then was the merchandise released.

Finally, the source said that he does not know what the weapons will be used for, although it is likey that they will be used to reinforce security at the Presidency since several remarks and insistent rumors of a probable coup, some of which originated with sources close to President Guillermo Endara, have been heard.

Argentina

President Menem Discusses Mideast Policy

PM0204145091 London AL-SHARQ AL-AWSAT in Arabic 27 Mar 91 pp 1, 4

[Interview with President Carlos Menem by Sawsan Yahya in Buenos Aires; date not given]

[Excerpts] [Yahya] How do you define Argentina's position since the Gulf crisis started? And what did you expect in return for the dispatch of military forces to the Gulf?

[Menem] Argentina's position is similar to that of the states that supported and committed themselves to the UN resolutions on the Gulf crisis caused by Iraq's occupation of the State of Kuwait. The position was adopted for the sake of returning the legitimate Kuwaiti Government and the Kuwaiti people to their territory. Argentina supports all the UN and Security Council resolutions and is working to implement them. Its reason for so doing is that this position is the most suitable for the establishment of justice and peace. Argentina is always working to achieve that aim together with the other 27 states that have adopted the same position—the states that have established the new world order following the events and changes that have occurred in the world in recent years, starting with the removal of the Berlin Wall and the unification of the two Germanies through the end of the cold war. [passage omitted]

[Yahya] How do you view present relations between Argentina and the Gulf states? Will you participate in rebuilding Kuwait, and how would you assess the Gulf leaderships' methods during the crisis?

[Menem] Relations are good, and Argentina can help and participate in the reconstruction and rebuilding process, not only in Kuwait but in Iraq as well—that is, if we are asked to do so. We can provide services and help in many fields. We have not sent military ships to the Gulf for the sake of a material or economic reward. As I said before, we sent forces in order to restore dignity. Argentina has always demanded respect for states, for their borders, and for coexistence. [passage omitted]

[Yahya] How would you describe Argentina's relations with Iraq both now and in the future?

[Menem] We have the same relations as those that will be established between Iraq and any of the coalition states that intervened in the conflict. Iraq's embassy continues to work normally, and so does our embassy in Baghdad. Undoubtedly relations are tense at present as long as Saddam Husayn is in power in Iraq. The Iraqi people must make their own decision. [passage omitted]

[Yahya] The Palestinian problem is one of the major causes of the region's crisis and its resolution could constitute a starting point for resolving all the other problems. How do you view a solution?

[Menem] Of course that is true. I believe that a reasonable agreement acceptable to all will be reached. I emphasize here the UN and Security Council resolutions and recognition of the Palestinians' right to a homeland and a state. We believe that the solution is the implementation of the UN resolutions, and we support it in that regard.

[Yahya] But so far you have not allowed a PLO office to be opened, as they have in many other world states.

[Menem] The Palestinians have not asked us to open offices for an embassy, and we have not spoken about that subject at all. Who represents the Palestinians at present? There are various organizations and numerous tendencies. So who represents them? If they request that from us, we have a government that works according to a particular system. There is a high authority for foreign relations. The issue should also be submitted to parliament for approval. [passage omitted]

IDB Approves Loan for Sanitation Project

PY0404020091 Buenos Aires TELAM in Spanish 1956 GMT 2 Apr 91

[Text] Buenos Aires, 2 Apr (TELAM)—The Inter-American Development Bank (IDB) today announced the approval of two loans for Argentina for a total of $100 million. The loans will be used to finance the first stage of a drinking water and sewage system project.

The World Bank will provide $100 million for the project, whose total cost will be $250 million. The IDB reported that the project will be built by the Federal Council of Drinking Water and Sewage (Cofapys).

Bolivia

Congress Approves Entry of U.S. Trainers

PY0304154091 La Paz Radio Fides Network in Spanish 1100 GMT 3 Apr 91

[Text] Yesterday's special congressional session to discuss the militarization of the struggle against drug trafficking and authorization for U.S. troops to enter the country to administer the necessary military training ended just before midnight. The Nationalist Revolutionary Movement [MNR] criticized the decision of the Patriotic Agreement.

[Begin unidentified MNR leader recording] We have concluded a session that contributed in no way to strengthening democracy or the principle of respect. After several hours of discussion, just before midnight, the Patriotic Agreement—which chaired the session—declined to comply with important procedural aspects of constitutional order.

The president's message was supposed to be treated in accordance with a law that provides for separate meetings of the two congressional chambers. We maintained this

position from the very beginning of the session, demanding consideration of this provision, but the leaders of the session reluctantly rejected our proposal and managed to drag out the discussions for hours and hours, trying to delay a vote on the subject. When the voting took place, they obviously won because they were in charge of the session. We lost. Once again the belief the people have held for a long time—that we meet in Congress to waste our time—has been justified. [end recording]

The special congressional session will resume this afternoon to continue analyzing the militarization of the struggle against drug trafficking. The Patriotic Agreement is holding to its position of allowing the immediate entrance of U.S. troops.

Deputy Marco Antonio Oviedo of the MIR [Movement of the Revolutionary Left] has stated that the opposition, especially the MNR, is seeking to endorse the alternative development program.

[Begin Oviedo recording] The participation of the Armed Forces in [words indistinct] which does not mean participation in the suppression of peasant producers of coca. This participation can be understood from the point of view of acting against the great producers of cocaine hydrochloride. This is the origin, the objective, and the final goal of the participation of the Armed Forces. [end recording]

Deputy Filemon Escobar, a representative of the Bolivian Labor Federation [COB], has stated that Bolivia will experience an economic and social crisis if the anti-drug struggle is militarized. [recorded passage indistinct].

The COB has stated that the struggle against drug trafficking the U.S. Administration wants to implement in our country seeks to impose U.S. economic policy on the world and control drug sales in our country.

Prison Implicated in Counterfeit Money Problem

PY0404022091 La Paz Television Boliviana Network in Spanish 0200 GMT 3 Apr 91

[Text] According to a preliminary investigation, counterfeit dollars and Bolivian pesos are reportedly being made at the San Pedro prison in La Paz.

In response to reports that counterfeit dollars and Bolivian pesos are being manufactured at the San Pedro prison, we asked Colonel Renan Lopez, commander of the Criminal Department, to give us further reports on the matter.

[Begin Lopez recording] [Words indistinct] but there is a chain of [word indistinct] in these cases. Many people buy these bills, and later they realize that they bought counterfeit bills, but instead of reporting the fact, they decide to pass them on to other people, and thus it becomes a chain. The person who decides to bring the case to the police mentions the last person who passed the bills. When asked by the police, this person says he was also deceived. This situation represents a tremendous problem for us to establish the origin of the counterfeit dollars. We do have some information that these bills are probably manufactured at the San Pedro prison, or else they come from Argentina or Colombia. They are often seen in the newspapers, since they are bills that circulate internationally. [end recording]

The colonel then explained that Bolivian pesos are also being counterfeited.

[Begin Lopez recording] We know that a counterfeit bill for 20 Bolivian pesos is very similar to a real 20-peso bill, and it is very difficult to detect. These bills usually mixed inside bundles of 100 bills. [end recording]

Col. Lopez concluded by saying that $5 bills are changed into $50 bills. He also reported that counterfeit $100 bills have also been found, and he warned the people to be careful when they make economic transactions and not to be caught off guard.

Umopar Clashes With Colombian Traffickers

PY0304183391 La Paz Television Boliviana Network in Spanish 0200 GMT 4 Apr 91

[Excerpt] Umopar [Rural Area Police Patrol Unit] forces have clashed with foreign drug traffickers at a ranch in Beni.

The Umopar forces clashed with a ring of Colombian drug traffickers 150 km from San Joaquin, Mamore Province. During the operation they seized 2.65 kg of cocaine base, modern weapons, and communication equipment.

Social Defense Under Secretary Gonzalo Torrico has referred to the presence of these foreigners.

[Begin Torrico recording] The involvement of foreigners in this illegal activity has never been ruled out. The fact that a foreign citizen was captured this weekend once again shows that foreigners are operating as drug traffickers in Bolivia. The Special Antinarcotic Force has a report on this operation. There is nothing new to tell you, other than the report that has already been made known to the public. [end recording] [passage omitted]

Brazil

Collor Views National Reconstruction Project

PY0404032891 Rio de Janeiro O GLOBO in Portuguese 2 Apr 91 p 3

[Article by President Fernando Collor: "National Reconstruction Project: A Democratic Option for Development"]

[Text] Deep institutional changes marked Brazilian life in the past 20 years. We were capable of restoring democracy but we could not extend this success to the economic and social fields.

The economic stagnation of the decade of the 80's bequeathed to us millions of unemployed and underemployed. Our economy grew by an average of 8.6 percent

during the 70's and only by 1.5 percent during the 80's, that is, less than our population growth. This is unacceptable.

In order to overcome this situation we must direct our political debate to discuss the important national issues, avoiding the sectarian discussions that have predominated lately. Private interests cannot be more important than national interests. In a democracy the entire society is responsible for the future of the nation. Only society can chose the path that will lead us to progress, ruling out the roads that condemn us to paralysis and backwardness.

The corporative doctrine [giving leading economic roles to special interest groups] has historic roots in our society. Democracy alone is not strong enough to eradicate it. On the contrary, the gradualism of democratization processes create fertile soil for this vice to proliferate. A good part of our politically negotiated solutions have produced projects of little economic feasibility which only tended to increase inflation. Quite often they only meant increased government spending with little or no relation to the country's priorities or to the capacity of the public sector to create the resources to pay for the those projects. The projects were mounted as if the government could provide and solve everything, as if the only responsibility of politicians were to act as mediators of sectorial vindications.

The concentration of public debate on corporative issues and the decisions that therefore emerged have contributed to the financial suffocation of the state and have placed more limitations on the government's capacity to act. The lack of political will and of society's firm commitment, particularly of the organized sectors, to reverse the process forced the government to implement short-term policies which only created more uncertainties, and as a consequence, the instability that fueled the process of hyperinflation.

This economic climate became an obstacle to development. The decrease in investments during the decade of the 80's was the direct consequence of the fiscal crisis and of inflation, both fueled by the pressure of special interest groups. We must change all this unless we want to reach the end of the century with indexes of unemployment and misery even more dramatic than present ones. It is urgent for Brazilians to recover the sense of future and the sense of hope and personal commitment to the nation's destiny.

My government implemented all possible measures to halt the hyperinflationary process. We knew that we had to take that first step because we did not have an alternative; but we did not stop there. The streamlining of our economic and social relations was from the very beginning one of our most important concerns.

Our priority goal is to place the state and private initiative in a more favorable situation in order to retake the path toward self-sustained development. We are sure that only then we will achieve socioeconomic stability.

This hope prompted us to present the Project for National Reconstruction. It is part of my proposal to modernize the country. We want to return to the forefront of public debate the most important issues of possible ways to restart our development on solid bases and achieve a better income distribution. We want the entire nation to participate in the selection of the best path to overcome the crisis and our inequalities. We want to share decisions and responsibilities because this is the way a government rules in democracy.

Society must now express itself directly, or through their legitimate representatives, on the future it wants for its children and for which it will work. The National Congress will have an absolutely essential role in this effort, as a channel for the expression of society's will, or as an instrument to realize society's collective aspirations.

The National Reconstruction Project contains a package of proposals consistently and organically put together, including the objectives and the means to attain those objectives, so as to secure political support for a strategy to resume development. The national will should necessarily rally behind clear choices.

Our rate of investment has not been sufficient to meet the demands to generate employment and wealth. We are investing 15 percent of the GDP, which is equivalent to $80 million a year. Not to end up with more than 20 million people unemployed in the year 2000, we need to grow at an yearly average rate of 6 percent. Meeting this challenge will demand investments on the order of 23 percent of the GDP, or $120 billion a year.

That is one of the objectives we must define. The next question is how to carry out the necessary rise of productive investments in the Brazilian economy. We know that this can only be done by increasing financial savings, which can come from three sources: private savings by individuals and enterprises, savings by the public sector, and external savings channeled mainly through foreign investments.

The time has come for society to decide how it intends to raise the level of employment and eradicate poverty. To this end, society should determine how investment savings will be increased and how it will guarantee that these savings go into production activities.

Economic stabilization is obviously a prerequisite, but it is not sufficient. A complementary effort will be necessary to boost savings, whether public or private, internal or external.

Increasing private savings presupposes habit changes, particularly by those who can save. It also requires control over the inflationary process and economic stability. The government is doing its share of effort to this end. It behooves us to have more concern for the future and stronger commitment to the destiny of the country. We have to end speculation, tax evasion, overconsumption, and invest our money in Brazil, in areas that are

relevant to the national development. Only society as a whole can bring about these transformations.

We have to reduce public spending if we want to increase public savings. A lot was done in this respect during 1990. We will need a courageous restructuring of the state apparatus if we want larger spending cuts. These changes will require government decisions and the approval of Congress, and they will contradict strong corporative interests such as job security, or will imply sacrifices such as the adaptation of social security system's benefits to the availability of resources. The only alternative if these deep changes are not implemented is to increase taxes.

If Brazilian society does not want to make radical cuts in government and private spending to increase savings, or if it does not want more taxes, it will have to implement drastic measures to entice foreign savings into the country. It will have to grant incentives for foreign capital to invest in the country, particularly for direct investments.

These alternatives are not mutually exclusive and they can be combined, but it is essential to decide which way are we going to go. If we do not do anything, if we do not accept the need to introduce profound changes in these aspects of our economy, we will have to live with 20 million Brazilians without jobs at the end of the century.

Brazilian society cannot allow this to happen. That is why we proposed the National Reconstruction Project. One of the central characteristics of the project is that it does not bow to questions or interests that are exclusive to particular groups or sectors. It really is a national project, free from the mark of special interests.

We have in front of us the need and the means to guarantee a better present, and most important, a better future for all. We have a government that is willing to implement the profound changes that are essential to this objective. We have a renewed National Congress that gives consistency to our democratic institutions. We have a mature society that is capable of deciding on its destiny. Let us give it a try with God's help.

Processed Uranium To Be Exported to Germany

PY0304205291 Madrid EFE in Spanish 1728 GMT 3 Apr 91

[Text] Brasilia, 3 Apr (EFE)—Quoting Brazilian official sources, the newspaper "O GLOBO" today reported that Brazil and Argentina will soon export processed uranium to Germany. It will be used to fuel private nuclear power plants in that country.

The newspaper states that Brazil and Argentina, which in November 1990 jointly vowed not to build an atomic bomb, have agreed to supply processed uranium to the German Siemens company.

Siemens lost its nuclear fuel supply a few months ago following a fire at its production unit in the German city of Hanau. Nuclear fuel is produced at Brazilian and Argentine nuclear power plants.

According to Brazilian official sources, the product that will be sold to Siemens is not enriched uranium, it is processed uranium in pellets for use in nuclear power plants for peaceful purposes.

Brazil and Argentina are developing a program of mutual surveillance and control of nuclear installations, both civilian and military, and are jointly negotiating an agreement on this point with the International Atomic Energy Agency (IAEA), headquartered in Vienna.

* Maia Says Some Sectors Sabotaging Collor Plan

91SM0221E Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Feb 91 pp 1-6

[Article by Valdo Cruz and Neuza Sanches: "Joao Maia Complains There Is Sabotage of Plan"]

[Text] Brasilia—Joao Maia, executive secretary of the Ministry of Economy, has told FOLHA DE SAO PAULO that various sectors are lobbying to hamper the implementation of Collor Plan 2. He identified only one: the pharmaceutical industry. Maia says that "sector" is planting news items about shortages to increase its sales and provoke an artificial shortage of products.

According to Joao Maia, there is no reason for a shortage to exist. He points out that demand is not strong and that before the freeze, businessmen were raising their prices at a faster rate than the rise in inflation.

"The idea that the pharmaceutical industry is going to run out of supplies is a 'plant' by that group in order to sell three times as much in a short period of time," said Maia. According to the secretary, doing so will end up creating a temporary shortage of products, and the industry will then use that shortage to pressure the government to allow price increases.

Autolatina was also mentioned by the secretary. In his opinion, that firm's promise to lay people off was an "attempt to exert a negative influence" on the National Congress a few days before the latter voted on the measures included in Collor Plan 2. He added that Autolatina's attitude was not at all "cooperative."

Maia drew attention to a few factors that have contributed to a temporary shortage of products in various areas: the measures were adopted at a time when supermarket inventories were low, and there was also "confusion" in drawing up the Sunab [National Supplies Authority] schedule. It went by fits and starts.

The secretary also cited the normal difficulties involved in negotiations between industry and commerce and news reports in the press. Maia said that the "press, by talking about shortages on the second day of the plan, ends up causing the consumer to buy more than usual in order to stock up."

He admits that there are problems with meat supplies on the market, but rules out any possibility of price increases for that product. In his opinion, "the problem is that a steer is a store of value, not an inventory item. So the problem with meat will slowly normalize."

The secretary says, however, that the government's greatest challenge is not shortages, but the memory of inflation. According to him, Collor Plan 2 will be a complete success if it can do away with the indexing of the economy. The elimination of overnight money, he adds, is a big step toward achieving that objective.

Chile

Continuing Reportage on Senator Guzman's Murder

FPMR Denies Involvement

PY0304190091 Santiago Radio Chilena Network in Spanish 1700 GMT 3 Apr 91

[Text] Vasily Carrillo, spokesman of the Manuel Rodriguez Patriotic Front [FPMR], today emphatically and officially denied that his organization participated in the murder of Senator Jaime Guzman.

He said that the militants of the FMR [Manuel Rodriguez Front], autonomous faction, have for more than three months been involved in internal discussions, studying their future participation. This means that during that period they have not carried out armed activities.

[Begin Carrillo recording] Once again we would like to denounce the plans of the right, and of the government of the coalition of political parties, which irresponsibly seek to discredit the FPMR by blaming it for actions in which we have not participated. By doing so the government and the right, along with the current and past security organizations, seek to create a political, psychological, and repressive environment in which to justify their desire to destroy the FPMR.

If violent events took place, those responsible for it are the ones who through the branches of the government, the executive branch, the judicial branch, and Congress, have not found a solution through justice, truth, and freedom to the problem of the crimes committed by the dictatorship. [end recording]

Carrillo added that both Interior Minister Enrique Krauss and Enrique Correa, minister secretary general of government, are engaged in a campaign to weaken the image of the FPMR before the people.

Carrillo concluded by saying that his organization will not accept the monetary indemnization offered by the government to the relatives of Chileans who were killed during the military regime.

Pinochet Declines Comment

PY0304152491 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 3 Apr 91

[Text] General Augusto Pinochet, Army commander in chief, has said that the killing of Senator Jaime Guzman demonstrates the aggressiveness of terrorists.

[Begin recording] [Pinochet] I do not make statements, for many reasons. I repeat: I do not make statements. Yesterday's killing of a senator of the Republic demonstrates the aggressiveness of these terrorist types. This was an assassination, not a death, as some have said.

[Reporter] General, how do you think terrorism can be stopped?

[Pinochet] I must tell you again that I do not make statements. I will not make statements. [end recording]

General Pinochet made these brief remarks after presiding over a ceremony to mark the anniversary of the Army's Parachutists and Special Forces School.

Security Measures Tightened

PY0404011391 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 3 Apr 91

[Excerpt] Secretary General of Government Enrique Correa said that the Internal Security Committee met at La Moneda Palace today and agreed to reinforce security for high-level government officials.

Correa said that during the meeting it was agreed to take all measures necessary to protect public duties. He added that the government fully assumes its obligation to guarantee security to all government officials who are at the service of the country and the citizens so that the officials can carry out their missions with tranquillity. [passage omitted]

Senate Condemns Terrorism

PY0404012591 Santiago Radio Cooperativa Network in Spanish 2300 GMT 2 Apr 91

[Text] The Senate must enact exceptional, urgent, and comprehensive legislation to cover not only the investigation and punishment of those responsible for crime but also the investigation of those who encourage violence.

The Senate made this unanimous declaration in view of Senator Jaime Guzman's assassination which is the first case in Chilean history of the murder of an incumbent senator. Tomorrow at 1600 the Senate will hold a special closed session to analyze the problem of terrorism with Interior Minister Enrique Krauss.

The Senate will also hold a special session to pay homage to the senator who was killed last night.

The Senate strongly condemned the attack on Senator Guzman and expressed hope that those responsible will

be found and punished. The Senate expressed its willingness to try to eradicate terrorism with all possible forces. The Senate declaration was read at a special session called to replace the ordinary session. Senators and the people who were present observed a minute of silence in homage to Jaime Guzman. Senators then traveled to Santiago to attend the mass in honor of Senator Guzman at the National Gratitude Church. A delegation of senators then met with President Aylwin.

Senator Gabriel Valdes commented on the declaration at a news conference. He noted that he was very affected by the assassination.

[Begin Valdes recording] What has happened is extremely serious. We have to give it the importance it deserves. From now on things will change. The Senate has decided that things will change. I think the Senate will have the courage to mobilize the country in a campaign against terrorism. The country will not fall in the hands of terrorists. [end recording]

Valdes noted that it is time for Chilean society to take a hard line to confront terrorism, as happened in European countries which succeeded in fighting the scourge. Valdes stressed the important role Congress has to play in this task. Valdes admitted that threats against legislators had increased in the past weeks. Valdes said, however, that they will not hide and their work will continue unhindered.

Terrorism Problem Analyzed

PY0304214491 Santiago Radio Chilena Network in Spanish 1700 GMT 3 Apr 91

[Text] Major General Luis Henriquez, Defense Ministry chief of general staff, has said that the country is going through a stage of selective terrorism. Henriquez talked about the different stages of subversion.

[Begin recording] [Henriquez] The first stage is one of propaganda, the second stage is one of selective terrorism. This is the stage we are going through today. The incidents in Concepcion, Rancagua, and Santiago are examples of this.

[Reporter] Do you rule out the participation of rightwing groups?

[Henriquez] Yes. His excellency [not further identified] clearly defined it yesterday. These groups have been clearly identified.

[Reporter] Rightwing groups are therefore totally ruled out?

[Henriquez] We do not have any information indicating the involvement of any extreme rightwing group. [end recording]

Henriquez said that the Armed Forces security organizations will provide information to the government regarding terrorists. Henriquez added that a unit will be created to fight terrorism from Carabineros and Investigative Police agents.

At the end of a meeting of the Internal Security Committee, Defense Minister Patricio Rojas said that military intelligence agencies will pass on information but will not conduct any investigations.

Rumors of Defense Minister Replacement Denied

PY0304143291 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 1 Apr 91

[Excerpt] On instructions from President Patricio Aylwin, Enrique Correa, minister secretary general of government, has denied a report published by QUE PASA magazine on the alleged replacement of the defense minister.

[Begin Correa recording] As his excellency has said repeatedly, all ministers enjoy his confidence, and he is not planning to make changes to his cabinet.

President Aylwin deplores the frequent practice of some media, which report on the basis of suppositions and publish headlines that do not match the objective contents of their reports. These kinds of unethical practices obviously hinder reconciliation among Chileans. [end recording] [passage omitted]

Threats Against PCCh Members, Others Reported

PY0404004191 Santiago Radio Chilena Network in Spanish 1700 GMT 3 Apr 91

[Text] The Communist Party of Chile [PCCh] reported today that death threats have been made against its main leaders as well as against members of other organizations and government officials.

Jorge Insunza, member of the PCCh Political Committee, reported that the death threats were made against Volodia Teitelboim, Gladys Marin, Mireya Baltra, Socialist Party leader Clodomiro Almeyda, and Interior Ministry Under Secretary Belisario Velasco.

He said that the threats would be a revenge for the murder of Senator Jaime Guzman. Insunza said that the PCCh categorically rejects the efforts to make the left responsible for the murder. He added that the investigation will lead to the discovery that the origin of the attacks comes from the former members of the military regime. He also responded to President Aylwin's statement to the people.

[Begin Insunza recording] We Communists categorically believe without any ambiguity and beyond any distortion that armed actions, which are a legitimate way to confront tyranny, have no place in democracy because they play into the hands of those who want to obstruct the transition process. [end recording]

Jorge Insunza said that the Communists are against any form of revenge or taking justice into one own's hands.

Nevertheless, without falling into a conciliatory attitude, the Communists demand that the serious problems which are still pending be solved.

Insunza added that it would be a mistake for the Armed Forces to intervene in the internal political life because the intelligence services, especially the CNI [National Intelligence Center], have promoted terrorism. He said that this is why the PCCh asked the Chamber of Deputies to investigate the current operations of the CNI.

Colombia

FARC Front, Mayors Sign Peace Agreement

PA0404005291 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 3 Apr 91

[Text] The 23rd Front of the Revolutionary Armed Forces of Colombia [FARC] today signed a peace treaty with nine mayors from Santander Department's southern region.

The guerrillas made a commitment to suspend attacks on military units, transportation workers, and the general civilian population. They also asked the national government to resolve the social problems of the region soon.

* Leyva Defends Role as Guerrilla Mediator

91SM0233A Bogota CROMOS in Spanish 4 Mar 91 pp 16-17

[Interview with Alvaro Leyva Duran, AD-M-19 Constituent Assembly member, by Yirama Castano Guiza; place and date not given: "They Want Me Off the Planet"]

[Text] Alvaro Leyva Duran took fright in the days leading up to publication of his interview with Alfonso Cano because he was being followed. He does not regret criticizing the defense minister in the National Constituent Assembly [ANC] because he still considers the spoken word a good defensive weapon. "EL TIEMPO must realize the military set a trap for it," he said. The purpose of the trap was to make the newspaper pay a price for its support of the peace process. He added: "If the military does not straighten out, I will have to seek asylum in an embassy."

The government's Office for Peace has often hinted that Leyva is holding up negotiations with the armed rebels and is not authorized to serve as a go-between. Nevertheless, the Constituent Assembly member for AD-M-19 [19 April Movement Democratic Alliance] says the government or people with government ties have called him at home more than once and asked to renew contacts. In his interview with CROMOS, Leyva talked about disagreements within the administration about how to handle this new phase of peace talks with FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation].

[Castano] Why has not the government been able to make contact with the guerrillas and arrange a first meeting?

[Leyva] Because this would mean telling the troops to keep still.

[Castano] Does your advice to Cano about choosing the main settlement for the first meeting pose a challenge to Gaviria?

[Leyva] It is a matter of getting the talks under way. If you are going to have a meeting between two people who are fighting, you need to find a way to keep them from killing each other while they are talking.

[Castano] What about the government's proposal that the dialogue take place outside the country?

[Leyva] I understand the minister of government said they had made major progress towards a dialogue of this sort. However, I know there has not been a single contact in three weeks. They are shooting at each other. And how are they going to get out of La Uribe?

[Castano] How did Alvaro Fayad and Ivan Marino get to Madrid?

[Leyva] That is different. They were urban [guerrillas].

[Castano] FARC has urban ties, too.

[Leyva] Yes, but there has to be a mechanism, some procedures. It is not like the movies. Alfonso Cano would not go alone. He would take Manuel Perez and Francisco Caraballo with him. Another difference is that the map has changed. Today there is no way to get to Cuba.

[Castano] But when the government suggested meeting outside the country, they must have had something in mind.

[Leyva] They did not.

[Castano] How do you know that?

[Leyva] Because I talked with Foreign Minister Jaramillo, and he is not sure: It might be Paris or Mexico. But how are they going to get there? It seems to me it ought to be Venezuela because Carlos Andres Perez is uniquely accessible. But you have to get them there. I proposed a bilateral cease-fire to the government, but they said no. I have not disclosed all the details because I feel embarrassed for Colombia.

[Castano] What about the effort of the Red Cross in this process?

[Leyva] FARC and the International Red Cross agreed that the first conversation would be about about kidnap victims provided the Red Cross got a formal request from the government. Minister Humberto del la Calle Lombano said they were not interested in discussing human rights, which would have meant talking about

political prisoners and the bombing of civilians as well. It was a most disappointing reply because a lot of people are taking it on the chin.

Broken Phone

[Castano] The government is annoyed at you. Some say you are holding up the process.

[Leyva] Let me make this clear: I was minding my own business at home when Jose Noe Rios called. He said he was under instructions to keep in touch with me. I asked him who gave the orders, and he said Rafael Pardo and Jesus Antonio Bejarano. I had no way out. Right away, as the bearer of a goodwill gesture, I went to see President Cesar Gaviria. FARC was releasing 16 soldiers and wanted the red telephone put back in operation. Gaviria said he was not interested. On my way out of the presidential palace, Jesus Antonio Bejarano suggested I act as a go-between. At that time I set some guidelines: I will pass on what you say with the understanding that the channel is kept open and that I am given no greater role to play.

Then came the trip by the Legislative Commission and the briefing of the president on its successful outcome. Bejarano issued statements saying this was untrue. He accused the commission of having no basis for calling for direct dialogue as it did in the document it released last year. Three days later he said there had been a miscommunication due to interference. This despite the fact that I kept my word to the letter.

[Castano] You were the red telephone?

[Leyva] Yes, but they are the ones who picked me. Sunday I told Cano they could resume their calls over the red telephone, but those guys are really upset with Chucho Bejarano.

[Castano] Despite everything, are you going to keep at this?

[Leyva] I have to until someone else is willing to take over. I think direct dialogue could end up producing a cease-fire. One day I told Jose Noe Rios that what interested me were results. I said that if Dr. Chucho Bejarano was a man of peace, I was willing to be his silent partner and have a special medal made for him to pin on his chest. But now, if anyone opens the door so I can make a quick exit, I will do so with pleasure. The day the dialogue begins I will turn my attention to other things. This is not my hobby, I am bored stiff. The trap the military set for EL TIEMPO proves I have been a nuisance to them. They do not want me out of the way, they want me off the planet.

Do Not Consult

[Castano] Do you believe the government is interested in resolving its problems with the Coordinating Committee before the deadline for new delegates to the assembly or is it dragging its feet?

[Leyva] If that is the case, they are being foolish. The armed rebels will not stand for delays because the choice they have to make is political, not military. Sooner or later, the government is going to wind up in direct talks. Otherwise the guerrillas will show up here and reach an understanding with the Constituent Assembly. Moreover, it was the rebels who invented the Constituent Assembly. It was first proposed six years ago by Jacobo Arenas and Oscar William Calvo. I handled the negotiations.

It is important for the rebels to sit in the ANC because then they are bound by the constitution. Setting new legal standards is the key to tranquility and normalcy. In the end everyone has to swear to uphold the constitution and the laws derived from it. That is why the constitution is tantamount to a peace treaty.

[Castano] AD-M-19 does not seem very enthusiastic about the role you are playing in this process.

[Leyva] That does not matter. It is not up to me to please them. When I pressed for peace talks with the M-19, I did not consult anyone.

Paraguay

Rodriguez Orders Closing of Clandestine Airstrips

PY0404002991 Asuncion ULTIMA HORA in Spanish 1 Apr 91 p 15

[Text] Defense Minister Angel Souto Hernandez has reported that this morning President Andres Rodriguez ordered the indefinite closure of the airstrips belonging to Agustin Urunaga and Carlos Barreto Sarubbi. The president also ordered a pretrial inquest into the activities carried out at the two airstrips.

These orders, entrusted to the National Civilian Airports Administration Board (Dinac) [Direccion Nacional de Aeronautica Civil], must be carried out immediately. These are the first measures taken by the executive branch shortly after receiving the report on corruption in Alto Parana, Amambay, and Canindeyu. The report was submitted this morning by Defense Minister Angel Souto Hernandez, Minister Antonio Zuccolillo of industry and commerce, and Finance Minister Juan Jose Diaz Perez.

The defense minister said that upon receiving the report, the president of the Republic decided that the measures be taken as soon as possible. "We are going to close indefinitely the two airstrips belonging to Barreto Sarubbi and Urunaga, and the Dinac, following up on the many existing reports, will immediately begin a pretrial inquest to find out what was really happening at those airstrips," he said.

The defense minister added: "When the pretrial inquest is finished, appropriate measures in line with the Aeronautics Code will be adopted, and these punishments

could include another closing, fine, or any other punishment provided for by the code."

The national defense minister emphasized that within the influence area of the previously mentioned departments there are 452 airstrips in total, many of which have been closed down. In this regard, he mentioned that one airstrip, located in Aquidaban and owned by Benedicto Alcantara, was recently closed down. Four other airstrips, including one owned by Adilson Rosatti, were among those also closed down recently.

Asked if this case could be submitted to the courts, the national defense minister pointed out that he did not know if it would be legally possible to do so. He stressed, however, that if the previously mentioned owners have committed a crime, it would not be proper for the Dinac to file any legal action.

The national defense minister noted: "The irregularities that we have noted thus far lie in the fact that we have confirmed that airplanes with foreign registrations have landed at the unauthorized airstrips."

The national defense minister said that the existence of more than 1,000 airstrips in our country keeps the Dinac from rigorously carrying out its control mission.

Distributors of Foreign Periodicals Suspend Orders

PY0304163091 Asuncion ABC COLOR in Spanish 3 Apr 91 p 11

[Excerpt] Distributors of the dailies CLARIN, LA NACION, LA PRENSA, O ESTADO DE SAO PAULO, O GLOBO, JORNAL DO BRASIL, and other periodicals met on 2 April with authorities from the Finance Ministry, the Chamber of Deputies, and the respective embassies to try to arrange another 90-day extension that would allow them to bring in the periodicals without paying duties. ABC COLOR has also been told that the distributors have suspended their orders for foreign periodicals for the time being.

In the talks the distributors held with [Argentine] Ambassador Ruben Cardozo, it was learned that Argentina will not adopt similar customs measures.

It has also been stressed that Paraguayan periodicals will be allowed to enter Argentina as usual, and it is hoped that a short-term administrative solution will be implemented. It has been said in intellectual circles that the restrictive measure represents a contradiction of the need for cultural integration, as heralded during the discussion of the Treaty of Asuncion (Mercosur). [passage omitted]

Peru

Fujimori Receives PRC Ambassador, General

PY0404025491 Lima RTP Television Network in Spanish 0100 GMT 1 Apr 91

[Text] President Fujimori today received separately PRC Ambassador Dai Shiqi and PRC Army Commander in Chief Wang Hai. The meeting were private.

PRC Ambassador Dai Shiqi was the first to arrive. Shiqi discussed bilateral issues with the president. The meeting lasted only 15 minutes.

General Wang Hai, PRC Army commander in chief, arrived then. Wang Hai is on an official visit to the country. At the end of the meeting Fujimori invited the illustrious visitor to observe the traditional changing of the guard ceremony.

Shining Path Murders Mayor, Town Hall Officials

PY0304212491 Madrid EFE in Spanish 1750 GMT 3 Apr 91

[Text] Ayacucho, Peru, 3 Apr (EFE)—Shining Path guerrillas shot and killed the mayor and two town hall officials in the village of San Pedro de Cachi, 60 km north of the city of Ayacucho (southern Andean area) according to the widows of the dead men. The victims died on 2 April. They are Mayor Alberto Antay, Deputy Mayor Julian Quispe, and Administrator Edmundo Barbosa.

The three men had been elected on 20 March by the Political-Military Command of the Ayacucho Emergency Zone.

The following day, Shining Path activists planted red flags with the hammer and the sickle on the hills that surround San Pedro de Cachi and threatened to kill the officials if they did not resign.

The murders were carried out in front of the inhabitants of the village, as is usual with the Shining Path.

* Police Raid Uncovers Shining Path Materials

* Diskettes, Letters Seized

91WR0162X Lima CARETAS in Spanish 18 Feb 91 p 31

[Excerpts] Among the items confiscated during the searches that led to the discovery of the Guzman videotapes was a computer. Its hard disk contained certain files access to which requires codes, which specialists are trying to break. The disk files have names whose meaning is obvious:

"Coli 2," "Agosto 90" [August 90], "Guerra Popular" [People's War], "Archivo" [File], "Ivan," "Technics," and "Recibo" [Receipt].

Also found were 22 diskettes, 10 of which are named "Copy-Educacion 90." One of them contains 81 names, one of which, number 71, is Betty Evans, Nelly's twin sister. The last name on the list is that of former Education Minister Gloria Helfer. The police have not, however, found evidence that would suggest that either the former education minister or Nelly Evans's sister was involved with the organization. [passage omitted]

The Letters

Among the documents that the police are analyzing right now are several "letters of submission," in which people pledge unconditional subordination to Guzman's leadership. They include name, occupation, family members, address, and any other personal data. One of the most striking letters, written in red ink and dated 25 July 1988, is from David Manuel Febres Cordero, the democratic attorney who defended Osman Morote Barrionuevo and was murdered near La Herradura beach exactly three days after signing the letter of submission.

Other enlightening documents were found as well, proving the degree of Shining Path infiltration:

—A document containing the police report on the escape of Shining Path members from Ayacucho jail on 2 March 1982.

—The Armed Forces and police intelligence report on the actions of Shining Path and the MRTA [Tupac Amaru Revolutionary Movement].

—The 012-CNI-FFPP [expansions not given] report on the investigation into Republican Guard personnel who were on active duty and took part in the Lurigancho massacre on 18 and 19 June 1986.

—The report of the war division of the Supreme Council of Military Justice on the trial of the individuals responsible for the massacre, including names, addresses, and ranks, without mistakes of any kind.

—A copy of the security and defense plan at the DOES [National Police-Special Operations] police base in Uchiza, the personnel stationed there, a sketch of the town, nearby bases, the travel and operations plan, arrivals of vehicles and aircraft.

—A set of duplicates of letters signed by Guzman. Prominent among them are the ones addressed to a "Jose" living in France, whom he tells to conduct a campaign for the organization and to try and raise more funds. Others, also sent to France to someone named "Jaime," criticize his separation from Shining Path and his ties with other Marxist groups, all of this interspersed with threats about his future.

Under the pseudonym "Juan," Guzman also sent a letter to the MRI [International Revolutionary Movement] to have the so-called "day of heroism" (19 June) included on the calendar of holidays and commemorations and to designate 1 May as the date of the "new military campaign."

Lastly, a diskette named "Enemigos" [enemies] contains a lengthy list of citizens, policemen, Armed Forces officers, and others, including names, addresses, ranks, family members, and other personal data.

* Leadership Revealed

91WR0162Y Lima CARETAS in Spanish
4 Mar 91 pp 32-33

[Text] Although there are some who say that President Alberto Fujimori should not have broadcast over national TV the videotape on which Abimael Guzman (one of the most wanted criminals of the past 11 years) offers a deplorable image, there is agreement on one fact: Guzman is now faced with terrible security problems. Furthermore, the top echelon of Shining Path has been identified, as the names and faces of most of the members of the clandestine group's highest body are known to police.

The clear demonstration of the human frailties of Abimael Guzman, the head of Shining Path, has also touched his closest followers. This is because most of the Senderist leadership has now been clearly identified. The who's who, the tangled genealogy of this odd "nobility" in reverse, has come to light. This is not a book of records, to be sure, unless one is looking in the "infamy" section.

For example, 58 Senderists were trained in what was called the "first military school" at the start of the so-called armed struggle (ILA) and received their graduation diplomas from Guzman himself, after he delivered a speech, of course, in which called them "the pioneers." Only five of them remain, and they sit on the current Shining Path Central Committee.

They are: Teresa Duran Araujo, Arturo Ostap Morote Barrionuevo, Elena Iparraguirre Revoredo, Angelica Salas La Cruz, and Hugo Deodato Juarez Cruzatt. Someone named "Feliciano," who has been in charge of the central zone (Ayacucho, Apurimac, and Huancavelica) for the past six years, is also on the rolls, although his real name is not revealed.

According to available information, up to 10 of the original 58 have deserted, and some of them are living in voluntary exile outside the country.

Others have fallen during violent incidents or were killed during the slaughters in Lurigancho and El Fronton. A few, lastly, are under arrest on charges of engaging in terrorist acts, such as Osman Morote Barrionuevo and Margot Liendo Gil. To be sure, even though they are under arrest, the two are still members of the Central Committee, a privilege that other members in the same position have not enjoyed.

As we know, Shining Path is subdivided into several departments, the main one being the "Central Department," which contains all of the organization's files from its beginnings, for example. This sector in turn coordinates with the so-called people's intellectual group (GIP).

The "commands" of this group include Angelica Salas La Cruz, Nelly Iparraguirre Revoredo, and, according to police sources, Martha Huatay, who denies it, albeit from the underground, as she has not shown her face; all of them are still at large. Dora Munoz Vilchez belongs to this same leadership group; she was arrested on 1 June 1990.

Another major department is the one that comprises "Grassroots Assistance" and "Work Overseas." They both work together with the Propaganda Department and the MRDP, Revolutionary Movement of the People, and the MOTC, Movement of Classist Laborers and Workers. The chief or coordinator of Grassroots Assistance is Yovanka Pardave Trujillo, while Tito Valle Travesano heads the MRDP. Hugo Juarez Cruzatt used to run the Propaganda Department; he was recently (September 1990) apprehended. Someone named "Felix," who has yet to be identified, has replaced him.

The Political Bureau, another Shining Path department, is headed by Ostap Morote Barrionuevo and Teresa Durand Araujo. Rounding out the Bureau, according to the manuscripts and a cassette, are three unidentified individuals nicknamed "Pepe," "Augusto," and "Aldo." The Political Bureau works directly with the regional committees, the main ones being the Metropolitan, Northern Regional, Huallaga, Central Regional, and Southern. The Central Regional Committee covers the historic Ayacucho zone, of course.

Margie Clavo Peralta and Emma Saavedra are the direct coordinators of this entire apparatus.

This committee works together with the Department of Organizational Support (DAO), which is headed by Elvia Nila Zanabria, Cesar Paredes Rodriguez, and Maria Castillo Medina.

Another major department is Logistic Support and the Support Group (GAP). Heading up the logistics side is Adolfo Cornejo Diaz, and the GAP Lita Torrejon Rubio and Elizabeth Cardenas Hidalgo, besides the individuals called "Julia," "Marcelo," "Valia," and "Luis." They work together, in turn, with a recently created department called "Work in the Combat Trenches," which is in charge of ties with people who carry out violent actions. The heads of this department are Obdulia Trujillo Aguero and two others, nicknamed "Marcos" and "Maria." Finally, there is the "translations group," run by Judith Ramos Cuadros and someone named "Silvia." They coordinate directly with propaganda and overseas work, especially in distributing propaganda and raising funds.

The security group rounds out the picture. Its connection with the others is that it provides personal security for the leaders. It is headed by "Alejandro" and "Humberto."

All of the top people were trained in the "first school of leaders" that Shining Path organized in Cangallo two years ago.

PHOTO CAPTIONS

1. The following Central Committee members appear in photos on pp 32-33:

- Osman Morote, "Remigio"
- Ostap Morote, "Nicolas"
- Teresa Durand, "Juana"
- Angelica Salas, "Noemi"
- Elena Iparraguirre, "Miriam"
- "Feliciano"
- Nila Zanabria, "Aurora" (in custody)
- Elizabeth Gonzalez, "Nancy" (in custody)
- Tito Valle, "Eustaquio"
- Yovanca Pardave, "Sara"
- Nelly Evans, "Rene" (in custody)
- Dora Munoz, "Elizabeth" (in custody)
- Hugo Juarez, "German" (in custody)
- Margot Liendo (in custody)
- Margie Clavo, "Doris"
- Lita Torrejon, "Rita"
- Cesar Paredes, "Marcelo"
- Maria Castillo Medina, "Isabel"

2. Another photo on p 32 is captioned as follows: "Abimael Guzman with Deodato Juarez, Clara Gonzales, Elena Iparraguirre, Margie Clavo, and Yovanca Pardave.

* Party Congress Detailed

91WR0162Z Lima CARETAS in Spanish
25 Feb 91 pp 30-35

[Text] A very important document (the minutes of the so-called First Congress of Shining Path) was captured by police during their operation last 31 January. It gives details about the members of Shining Path's top echelon, details which, combined with the videotape of the Greek dance, paint a clear picture of them. The document covers several sessions, which were held in various homes around Lima from 26 January 1988 to 29 June 1989. The following is a complete report on the resolutions of the Shining Path's First Congress and on the members of the Central Committee, Standing Committee, and Politburo.

The three sessions of the first and only underground congress that Shining Path has held were recorded on an audio cassette. This is another of the major finds by the police during Operation "Paloma I," during which they seized valuable information, including the now famous videotape. With it the security forces may have additional leads that could enable them to break up the organization that has taken more than 20,000 people away from the country, most of them of humble origin.

While most well-informed circles were guessing whether Abimael Guzman was dead or alive, he was meeting with his diehard supporters in several homes around Lima in what the group called its first congress, which it held over three sessions between 26 January 1988 and 29 June 1989.

A homage to "Nora" preceded the opening of the terrorist gathering. To judge by the videotape that shows an aging, slumping Guzman next to a dead woman, the body is that of Augusta La Torre, "Nora," the wife of the Shining Path leader ever since he founded the organization.

The most significant findings about the so-called first congress are:

- The Shining Path Central Committee consists of 19 regular members and three alternates. Three candidates also sought membership on the Central Committee. They all participated in the secret meetings that Guzman chaired.
- The regular members of the Central Committee are: "Gonzalo," "Miriam," "Feliciano," "German," "Aurora," "Nancy," "Doris," "Sara," "Rene," "Nicolas," "Noemi," "Marcelo," "Juana," "Remigio," "Ramiro," "Pepe," "Federico," "Claudio," and "Luis." The alternates are "Eustaquio," "Augusto," and "Omar."
- The candidates: "Rita," Elizabeth," and "Dalia."
- In addition to them, the "Standing Committee" was appointed; it is made up of "Gonzalo," "Miriam," Feliciano," "German," and "Aurora."
- "Nancy," "Doris," and "Sara" were appointed to the Political Bureau.
- Historic members (deceased): "Nora," "Valia," "Elena," "Alejandro," "Jose," "Cesar," "Ana," "Marcela," "Carmen," "Aldo".
- On the video the police have identified some of the members of the Senderist top echelon (this is so stated in the affidavit submitted to Judge Raul Quezada). Nevertheless, the fact that Osman Morote Barrionuevo, "Remigio," is not present either at the Greek party or in the rest of the scenes on the tape would seem to indicate that the congressional sessions were not held in these places.

First Session

The first session was held from 26 January to 25 March 1988. The agenda was threefold:

- Ideology: During these discussions reports were received from each of the leaders of the regions about how the brainwashing of recruits was going and how the ideology of Marxism-Leninism-Maoism-thoughts of Gonzalo was sinking in. Guzman then ordered these reports put to a debate so that a stand could be taken on how the indoctrination of the so-called Senderist rank and file was proceeding.
- Under the odd-sounding and not readily comprehensible heading of "Application of the Culmination" they then analyzed the gains of the so-called "Plan of the Second Campaign of the Pilot Plan," which is nothing more than a timetable for a series of selective attacks and murders that are part of the broader project called "The Great Plan for Developing the Rank and File." As in the previous section, the reports were heard and then put to a debate.
- Lastly, the third segment, called "Continuation of the plan and its application to the committees," consisted of meetings with the representatives of the so-called regional, zonal, and subzonal committees, who were evaluated and given orders. The finishing touch was to emphasize over and over again to each of the participants that the ultimate goal of the terrorist movement is to take power throughout the country, to which end the plans for future violence were outlined.
- The Ayacucho Zonal Committee was charged with intensifying sabotage and terrorism, emphasizing selective assassinations, strengthening the organization's structures in the provinces of Ayacucho, and carrying out the actions called for in the "third campaign of the pilot plan."
- The Cangallo Zonal Committee was ordered to set up a people's school so as to recruit more followers. There have been many desertions and captures in this zone. The committee was also divided, for organizational purposes, into two subzones: the Cangallo Committee proper and the Fajardo Committee. The latter is supposed to extend towards the department of Apurimac.
- The Huallaga Committee was told to shift from zonal to regional status, which means expanding its radius of action, with the highlands as its main area and the jungle fringe as a complementary one.
- The Huancavelica Zonal Committee was told that the group of roving Senderists who have been carrying out actions in that department had to become the main one and that another secondary group had to operate in the "half moon" to "stir up the land problem." What this means is that Shining Path was trying to take advantage of age-old land tenure problems to bring about a severe polarization followed by a campaign of intimidation and terror to force the campesinos to join their movement.
- The Southern Regional Committee was told that it had to build solid bases in order to conduct the "third campaign of the pilot plan." This plan consists basically of recruiting new people and occupying the southern region of the country. As we well know, Shining Path is far from achieving these goals, fortunately.
- A Central Regional Committee was also created to cover the departments of Junin and Pasco; its goal is to expand sabotage activities in this zone.
- The Organizing Committee of the Smaller North was given the same order as the previous committee, in connection with the department of Ancash, and told to step up its violent activities to raise its rank to that of a zonal committee. It achieved this goal, after which the Medium Northern Committee was formed.
- The Northern Regional Committee was ordered to build this organization in a unified fashion with a view towards seizing power. This order was designed to weaken the leaders who did not want so-called "Chairman Gonzalo" to be all-powerful. As we will recall, "Remigio" was the pseudonym of Osman Morote Barrionuevo, who at the time headed the Northern Regional Committee, as the documents

seized previously show. Morote was opposed to the methods that Guzman had adopted, particularly since Shining Path's pact with drug traffickers.

Some months after this first session of the congress, specifically in June 1988, one of Shining Path's founders, Osman Morote, was captured by police at a home near the Palace of Justice. The rumors that were going around at the time about the police having been tipped off gain credence from an analysis of the congress documents.

Metropolitan Committee. Just as in the Northern Regional Committee, disagreements arose in Lima among the leaders of the organization's urban branch. The cassette makes special mention of the feuds between "Luis," "Elizabeth," and "Roberto." In addition, during the self-criticism period there was a discussion about meddling by the so-called Actions Committee (which is in charge of selective bombings) in the top echelon of the Metropolitan Committee, in connection with unilateral decisions about killings, which are the Metropolitan Committee's prerogative.

As for Grassroots Assistance, it was decided that it would take the resolutions of the congress as a political weapon and as the guidelines for its actions. It was also asked to punish those responsible for the "1987 incident" with penalties of up to one year and to evaluate "Eustaquio" and "Sara" quarterly. Grassroots Assistance was also asked to hold its own congress and draft its own strategic plan.

At one of the sessions, the behavior of the top Senderist leaders known as "Nicolas," "Sara," "Augusto," "Juana," "Feliciano," Noemi," and "Arturo" was criticized.

The reports submitted by Guzman were also analyzed. The first one, dated 26 January 1988, was on the preparatory session; the second, from 28 January was on "bases for discussion" (it later appeared in EL DIARIO); and a third, from 29 January to 2 February, addressed issues such as the "two-line struggle and analyses and conclusions of the internal debate on these lines during the congress."

The congress also resolved that the Huallaga Zonal Committee would organize a "national school of leaders and cadres" in that zone; this was done in March 1988.

At the close of this first session, all of the members of the Central Committee, headed by Guzman of course, signed the "banner of the congress" one by one.

Second and Third Sessions

The second session of the congress was held from 27 August to 16 September 1988. Abimael Guzman, naturally, opened it and took the floor first, reporting on the progress of the terrorist organization and its various cadres.

The major item, however, was "the construction of the three tools of the revolution" (party, people's guerrilla army, and front). A report was also requested on the development of the people's war so that this topic could be addressed at the third session of the congress.

The agenda consisted of the following items:

- Construction and specific program, during which a report was given on proposals from the rank and file.
- Evaluation of the actions in the second campaign of the pilot plan under the watchword "develop the brilliant culmination."
- New plan for the second part of the third campaign. There were also retrospective reports and reforms. Since the reports by "Sara" and "Luis" (Metropolitan Committee), "Juana," "Aurora," "German" (Department of Propaganda and Logistics), and "Eustaquio" had been criticized, the Politburo called for a "rectification campaign" on 6 September.
- In addition, the "plan to culminate the pilot plan" was projected to last nine months, from October 1988 to July 1989.

Other secondary resolutions included, for example, the suspension of "Juana" and the reinstatement of "Martha" as a candidate member for one year, after which she would become a full member. She had, by the way, belonged to the Central Committee.

The main resolution during the third and final session of the congress was to boycott the November 1989 municipal elections. Thirteen points of agreement were passed, and at the close a special resolution was approved "decorating Nora with the order of the hammer and sickle" (the highest honor), as the document itself states. The date: 29 June, by which time, according to the available information, the woman who was very likely Abimael Guzman's wife had already passed away.

[Box, pp 32-33]

Committees of Terror: The Attack Orders From September 1988 to November 1989

In addition to the three sessions of the congress, Abimael Guzman held another series of meetings.

- On 21 September 1988 the Senderist leader called a session of the so-called Standing Zonal Committee of Huancavelica. There, after presenting a report entitled "To spur the zonal committee by taking the congress as a guide and to develop the people's war," he criticized the desertion of "Arturo," who was endangering the organization. "Aurora" was named to replace him as the head of the committee. In addition, the problems that have arisen in Huancavelica because "the hubs have been put off-center" were looked into, the first consequence of this being the loss of what they consider a major stronghold.
- On 13 November 1988 the leadership met with the heads of the groups that make up the so-called Revolutionary Movement for the Defense of the People (MRDP): Popular Assistance of Peru (SPP), Support Group (GAP), Department of Economics, and the

Metropolitan Committee of the MRDP. One of the resolutions was to prepare for the MRDP's "big leap" in no more than two and a half months. This included greater involvement in the strikes by the institutionalized unions, "reglajes" (surveillance of potential victims), and more careful security to prevent captures.

- In February 1989 Guzman met with the secretaries of the Ayacucho, Cangallo, Fajardo, central, southern, and mid-northern committees. The most salient feature of this event was the posthumous homage to Augusta La Torre, "Nora," who had presumably died on 14 November 1988.
- On 5 April 1989 the representatives of the Regional Committee of Huallaga were called together. On this occasion the Shining Path leadership congratulated the committee for the attack on the "Madre Mia" military base. The exact quote was: "You have won a banner of the party for your action against the Madre Mia military base." Moreover, "it is recommended that you not serve as hired thugs for drug traffickers and that you carry out the rectification campaign." The Huallaga leadership was criticized for "losing track" of the funds from the security provided to drug traffickers and from the fees charged to the pilots of light planes that were taking off with cargoes of coca. There was also a discussion of to what extent the intermediate commands in the Huallaga belonged to the organization for purely financial reasons. In contrast, they were congratulated for their work in Saposoa and for not neglecting their activities in the Biabo (an area normally controlled by the MRTA).
- The meetings with the Metropolitan Committee were held from 3 to 5 May. One of the main items addressed was the degree to which the organization had been infiltrated; this had led to several captures. Moreover, personal interests were brought up and criticized, and "Renee" and the secretary of the Senderist urban sector were faulted.
- On 29 April 1989 the leaders of the MRDP were called together again. Plans were developed to celebrate so-called heroism day (the 1986 events in the prisons), and the democratic attorneys were told to draft a document about this day and a poster for campesinos and children. In conclusion, EL DIARIO was congratulated for its May Day issue, and orders were given to plan a "major action" that would jolt the public so that eventually the MRDP could be linked to the general insurrection.

PHOTO CAPTIONS

1. A photo on p 30 is captioned as follows: "Elena Iparraguirre Reboredo, "Miriam," the woman who is shown dancing with Abimael Guzman to the melody from the movie "Zorba the Greek."

2. A subsequent photo on p 32 is captioned as follows: "With fists upraised, Elena Iparraguirre, Yovanca Pardave, "Sara," and Victoria Trujillo, "Elizabeth."

'Dramatic' Rise in Cholera Cases After Holy Week

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[Text] The situation at the Arzobispo Loayza Hospital is dramatic in view of the increase in the number of cholera cases that are being treated at this health center. In addition, the medicine stock could be depleted at any time.

The cholera epidemic has turned into an earthquake that is devastating our country because of carelessness and lack of interest. A daily average of 100 cholera-infected patients came to the Loayza Hospital before Holy Week. More than 200 patients are now coming to the hospital for treatment, of which 40 are hospitalized in serious condition.

[Begin recording] [Unidentified reporter] Are the people no longer afraid of the disease?

[Dr. Carlos Moreno from Loayza Hospital] I believe the people are basically irresponsible. Since they know they will get free treatment and since they know the disease is being place under control thanks to Health Ministry personnel, they are returning to the sources of infection. Ninety percent of the patients who come to this hospital say they had eaten on the streets. If the people do not heed the health measures dictated by the Health Ministry, we will definitely not be able to get the epidemic under control. Up until now, we are giving patients free medicine at the hospital. Other hospitals are charging for the medicines, and I cannot tell you how much longer the Loayza Hospital will have the economic capacity to provide free treatment to patients. The people should learn that sooner or later they will have to pay the costs of this epidemic because I believe the government will not be able to do it.

[Reporter] What is the cost a patient must pay for a 24-hour treatment?

[Moreno] The average cost per patient is about $100 per day. [end recording]